

Myton, Utah 84052 (435) 646-4825, FAX: (435) 646-3031

July 10, 2008

State of Utah Division of Oil, Gas & Mining Attn: Diana Whitney 1594 West North Temple - Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill

Ute Tribal 14-21-4-2 Ute Tribal 15-21-4-2 Ute Tribal 16-21-4-2

Dear Diana:

Enclosed find APD's on the above referenced wells. These are for Fee Surface/Tribal Mineral locations. If you have any questions, feel free to give either Dave Allred or myself a call.

Sincerely,

Mandie Crozier

Regulatory Specialist

mc

enclosures

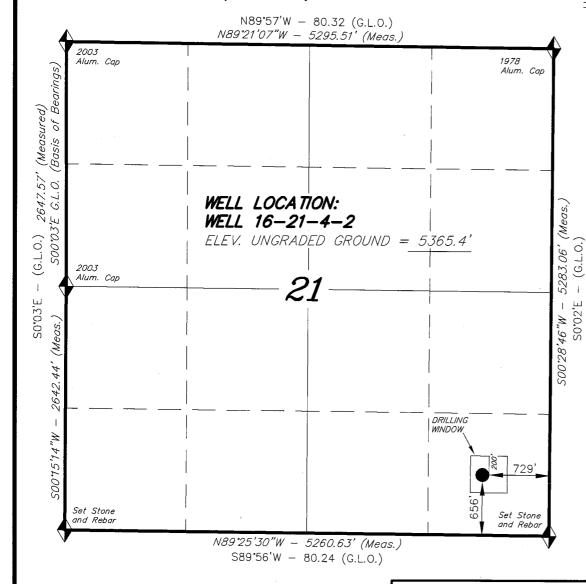
| Form 3160-3 (September 2001) | | | FORM APPR OMB No. 100 Expires January | 04-0136 | |
|--|--|--|---|----------------------|--|
| UNITED STATES | | | 5. Lease Serial No. | | |
| DEPARTMENT OF THE II BUREAU OF LAND MANA | 2OG0005609 | | | | |
| | 6. If Indian, Allottee or | <u>- </u> | | | |
| APPLICATION FOR PERMIT TO DI | RILL OR REENTER | | Ute | | |
| 1a. Type of Work: DRILL REENTE | R | | 7. If Unit or CA Agreeme N/A | ent, Name and No. | |
| 1b. Type of Well: Oil Well Gas Well Other | Single Zone 🔲 Multi | ple Zone | 8. Lease Name and Well Ute Tribal 16-21-4- | | |
| Name of Operator Newfield Production Company | | | 9. API Well No. 43-01. | 3-34034 | |
| 3a. Address | 3b. Phone No. (include area code) | | 10. Field and Pool, or Expl | oratory | |
| Route #3 Box 3630, Myton UT 84052 | (435) 646-3721 | | _Monument Butte | undes mate | |
| 4. Location of Well (Report location clearly and in accordance with At surface SE/SE 656' FSL 729' FEL 57 6112 × | - 0 | · | 11. Sec., T., R., M., or Blk. | | |
| the state of the s | 14 -110.16686 | ,6 | SE/SE Sec. 21, T | | |
| 14. Distance in miles and direction from nearest town or post office* | | | 12. County or Parish | 13. State | |
| Approximatley 8.6 miles south of Myton, Utah | | , | Duchesne | UT | |
| 15. Distance from proposed* location to nearest property or lease line, ft. | 16. No. of Acres in lease | 17. Spacin | g Unit dedicated to this well 40 Acres | | |
| (Also to nearest drig. unit line, if any) Approx. 656' f/lse, NA' f/unit | NA | | | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1249' | 19. Proposed Depth 20. BL 6850' | | M/BIA Bond No. on file WYB000493 | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approximate date work will sta | rt* | 23. Estimated duration | | |
| 5365' GL | 4th Quarter 2008 | | Approximately seven (7) days from s | spud to rig release. | |
| | 24. Attachments | | | | |
| The following, completed in accordance with the requirements of Onshor | re Oil and Gas Order No.1, shall be att | ached to this | form: | | |
| Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). | I ands the Item 20 above). 5. Operator certific | ation. specific info | ormation and/or plans as ma | | |
| 25. Signature | Name (Printed/Typed) | | . Dat | P | |
| Mandie Crozin | Mandie Crozier | | • | 10/08 | |
| Title Regulatory Specialist | | | | | |
| Approved by (Signature) | Name (Printed/Typed) BRADLEY G | | Dat | te 8-20-08 | |
| Title | OMENVIRONMENTAL M | IANAGER | | | |
| Application approval does not warrant or certify the the applicant holds le operations thereon. | egal or equitable title to those rights in | the subject l | ease which would entitle the | applicant to conduct | |
| Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it | | d willfully to | o make to any department or | agency of the United | |
| States any false, fictitious or fraudulent statements or representations as to | any matter within its jurisdiction. | | | | |

*(Instructions on reverse)

Federal Approval of this Action is Necessary

RECEIVED
JUL 1 4 2008

T4S, R2W, U.S.B.&M.

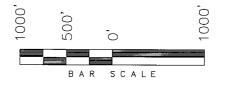


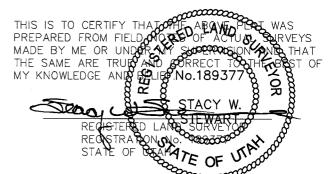
= SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (MYTON SE) WELL 16-21-4-2 (Surface Location) NAD 83 LATITUDE = 40° 06' 54.06" LONGITUDE = 110° 06' 27.09"

NEWFIELD PRODUCTION COMPANY

WELL LOCATION, WELL 16-21-4-2, LOCATED AS SHOWN IN THE SE 1/4 SE 1/4 OF SECTION 21, T4S, R2W, U.S.B.&M. DUCHESNE COUNTY, UTAH.





TRI STATE LAND SURVEYING & CONSULTING

180 NORTH VERNAL AVE. - VERNAL, UTAH 84078 (435) 781-2501

| , , | |
|----------------------------|-------------------|
| DATE SURVEYED: 09-12-07 | SURVEYED BY: T.H. |
| DATE DRAWN: 09-18-07 | DRAWN BY: F.T.M. |
| REVISED: | SCALE: 1" = 1000' |

NEWFIELD PRODUCTION COMPANY UTE TRIBAL 16-21-4-2 SE/SE SECTION 21 T4S, R2W DUCHESNE COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. <u>ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:</u>

| Uinta | 0' - 1,885' |
|-------------|-------------|
| Green River | 1,885' |
| Wasatch | 6,850' |
| TD | 6,850' |

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Green River Formation (Oil) 1,885' – 6,850'

Fresh water may be encountered in the Uinta Formation, but would not be expected below about 350'. All water shows and water bearing geologic units shall be reported to the geologic and engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. All water shows must be reported within one (1) business day after being encountered.

All usable (<10,000 PPM TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. This information shall be reported to the Vernal Office.

Detected water flows shall be sampled, analyzed, and reported to the geologic & engineering staff of the Vernal Office. The office may request additional water samples for further analysis. Usage of the State of Utah form *Report of Water Encountered* is acceptable, but not required.

The following information is requested for water shows and samples where applicable:

Location & Sampled Interval Date Sampled Flow Rate Temperature Hardness pН Water Classification (State of Utah) Dissolved Calcium (Ca) (mg/l) Dissolved Iron (Fe) (ug/l) Dissolved Sodium (Na) (mg/l) Dissolved Magnesium (Mg) (mg/l) Dissolved Carbonate (CO₃) (mg/l) Dissolved Bicarbonate (NaHCO₃) (mg/l) Dissolved Chloride (Cl) (mg/l) Dissolved Sulfate (SO₄) (mg/l) Dissolved Total Solids (TDS) (mg/l)

4. PROPOSED CASING PROGRAM

a. Casing Design: Ute Tribal 16-21-4-2

| Size | i i | nterval | Weight | Grade | Coupling | Design Factors | | s |
|-----------------------------|-----|---------|---------------------------------------|-------|----------|----------------|---------|---------|
| 7.0 | Тор | Bottom |) vveigni | Grade | Couping | Burst | Tension | |
| Surface casing | C' | 2001 | 24.0 | 1.55 | 0.70 | 2,950 | 1,370 | 244,000 |
| 8-5/8" Hole Size 12 1/4" | 0' | 300' | 24.0 | J-55 | STC | 17.53 | 14.35 | 33.89 |
| Prod casing | | | · · · · · · · · · · · · · · · · · · · | | | 4,810 | 4,040 | 217,000 |
| 5-1/2" Hole Size 7 7/8" | 0' | 6,850' | 15.5 | J-55 | LTC | 2.21 | 1.85 | 2.04 |

Assumptions:

- 1) Surface casing max anticipated surface press (MASP) = Frac gradient gas gradient
- 2) Prod casing MASP (production mode) = Pore pressure gas gradient
- 3) All collapse calculations assume fully evacuated casing w/ gas gradient
- 4) All tension calculations assume air weight

Frac gradient at surface casing shoe = 13.0 ppg
Pore pressure at surface casing shoe = 8.33 ppg
Pore pressure at prod casing shoe = 8.33 ppg
Gas gradient = 0.115 psi/ft

All casing shall be new or, if used, inspected and tested. Used casing shall meet or exceed API standards for new casing.

All casing strings shall have a minimum of 1 (one) centralizer on each of the bottom three (3) joints.

b. Cementing Design: Ute Tribal 16-21-4-2

| Job | Fill | Description | Sacks ft ³ | OH Excess* | Weight (ppg) | Yield (ft³/sk) |
|------------------|--------|------------------------------|--------------------------|---------------|-----------------|-------------------|
| Surface casing | 300' | Class G w/ 2% CaCl | 138 | 30% | 15.8 | 1 17 |
| - Currace casing | 300 | Class G W/ Z/0 CaCl | 76 CaCl 161 | | 15.8 | 1.17 |
| Prod casing | 4,850' | Prem Lite II w/ 10% gel + 3% | 335 | 200/ | 44.0 | 2.00 |
| Lead | 4,650 | KCI | 1092 | 30% | 11.0 | 3.26 |
| Prod casing | 2.000' | 50/50 Poz w/ 2% gel + 3% | 363 | 200/ | 44.0 | 4.04 |
| Tail | 2,000 | KCI | 451 | 30% | 14.3 | 1.24 |

- *Actual volume pumped will be 15% over the caliper log
- Compressive strength of lead cement: 1800 psi @ 24 hours, 2250 psi @ 72 hours
- Compressive strength of tail cement: 2500 psi @ 24 hours

Hole Sizes: A 12-1/4" hole will be drilled for the 8-5/8" surface casing. A 7-7/8" hole will be drilled for the 5-1/2" production casing.

Waiting On Cement: A minimum of four (4) hours shall elapse prior to attempting any pressure testing of the BOP equipment which would subject the surface casing cement to pressure, and a minimum of six (6) hours shall elapse before drilling out of the wiper plug, cement, or shoe is begun. WOC time shall be recorded in the Driller's Log. Compressive Strength shall be a minimum of 500 psi prior to drilling out.

Ten Point Well Program
Thirteen Point Well Program
Page 3 of 14

The Vernal BLM Office shall be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

The 8-5/8" surface casing shall in all cases be cemented back to surface. In the event that during the primary surface cementing operation the cement does not circulate to surface, or if the cement level should fall back more than 8 feet from surface, then a remedial surface cementing operation shall be performed to insure adequate isolation and stabilization of the surface casing.

The production casing cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

A Form 3160-5, "Sundry Notices and Reports on Wells" shall be filed with the Vernal Office Manager within 30 days after the work is completed. This report must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

5. <u>MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:</u>

The Company's Class 2M minimum specifications for pressure control equipment for a standard Monument Butte development well are as follows:

A 2000 psi WP hydraulic BOP stack consisting of two ram preventers (double or two singles) and either an annular preventer or a rotating head. If no annular preventer is used, ram blocks will be changed to match the outside diameter of casing and the stack will be retested prior to running any casing string.

Connections - All components on the stack and choke and kill lines shall have either flanged, studded, clamp hub or equivalent proprietary connections except control line outlets and pressure gauges.

Choke Manifold - The minimum equipment requirements are shown in Exhibit C. The choke manifold shall be located at least 5 feet from the BOP stack, outside the substructure.

Pressure Monitoring - A means of monitoring the inlet pressure of the choke manifold shall be provided. The capability to isolate this outlet shall be provided.

Ten Point Well Program
Thirteen Point Well Program
Page 4 of 14

Drillstring Control Devices - An upper and lower kelly valve, drillstring safety valve including correct closing handle, and an inside BOP shall be provided. The safety valve and inside BOP shall have connections or crossovers to fit all tubulars with OD to allow adequate clearance for running in the hole. All drillstring valves shall be rated to the required BOP WP.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system, and individual components shall be operable as designed.

Function test of the BOP equipment shall be made daily. All required BOP tests and/or drills shall be recorded in the Driller's report.

Chart recorders will be used for all pressure tests. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to BLM representatives upon request.

Newfield Exploration requests a variance from Onshore Order 2, III.C.7. which states, "...(1)The flare line discharge shall be located not less than 100 feet from the well...(2)The flare system shall have an effective method of ignition."

Newfield Exploration requests permission to have a flowline length of 80 feet in order to minimize the size of the well pad.

Newfield Exploration request permission to conduct operations without an automatic ignitor. If combustible gases are expected, operations will be shut down until an effective method of ignition has been installed.

Newfield Exploration requests a variance from Onshore Order 2, III.E.1. which states, "...the following equipment shall be in place and operational during air/gas drilling: (1) Properly lubricated and maintained rotating head ...(2) Blooie line discharge 100 feet from well bore...(3) Automatic igniter or continuous pilot light on the blooie line... (4) compressors located...a minimum of 100 ft from the well bore..."

Newfield Exploration request permission to use a diverter bowl in place of a rotating head. The diverter bowl forces the air and cutting returns to the reserve pit and is used to drill the surface casing (surface to a total depth of 350 feet). The surface casing occurs within the Uinta Formation which is a non-hydrocarbon bearing zone and thus has no possibility of gas pressure.

Newfield Exploration request permission to use a blooie line with a discharge less than 100 feet from the wellbore in order to minimize the size of the well pads and direct the cuttings and circulating mediums into the reserve pit. The well bore is located approximately 35 feet from the reserve pit which is 40 feet wide; a 100 feet blooie line would discharge the cuttings and circulating mediums across the reserve pit and off the location. The requested length of the blooie line to drill the surface casing (surface to a total depth of 350 feet) is 35 feet. The surface casing occurs within the Uinta Formation which is a non-hydrocarbon bearing zone and thus has no possibility of gas pressure.

Newfield Exploration request permission to operate without an automatic igniter or continuous pilot light on the blooie line due to the fact the air rig is only used to drill the surface casing (surface to a total depth of 350 feet). The surface casing occurs within the Uinta Formation which is a non-hydrocarbon bearing zone and thus has no possibility of gas pressure.

Newfield Exploration request permission to use a trailer mounted compressor located less than 100 feet from the well bore in order to minimize the well pad size. The trailer mounted

Ten Point Well Program
Thirteen Point Well Program
Page 5 of 14

compressor is located 50 feet from the wellbore and in an opposite direction of the blooie line. The compressor has the following safety features: (1) shut off valve on the trailer that is located approximately 15 ft from the air rig, (2) pressure relief valve on the compressor, and (3) Spark arresters on the motors. The compressor only used in the drilling of the surface casing (surface to a total depth of 350 feet). The surface casing occurs within the Uinta Formation which is a non-hydrocarbon bearing zone and thus has no possibility of gas pressure.

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

From surface to ± 350 feet will be drilled with an air/mist system. The air rig is equipped with a 6 ½" blooie line that is straight run and securely anchored. The blooie line is used with a discharge less than 100 ft from the wellbore in order to minimize the well pad size. The blooie line is not equipped with an automatic igniter or continuous pilot light and the compressor is located less than 100 ft from the well bore due to the low possibility of combustion with the air dust mixture. The trailer mounted compressor (capacity of 2000 CFM) has a safety shut-off valve which is located 15 feet from the air rig. A truck with 70 bbls of water is on stand by to be used as kill fluid, if necessary. From about ± 350 feet to TD, a fresh water system will be utilized. Clay inhibition and hole stability will be achieved with a KCl substitute additive. This additive will be identified in the APD and reviewed to determine if the reserve pit shall be lined. This fresh water system will typically contain Total Dissolved Solids (TDS) of less than 3000 PPM. Anticipated mud weight is 8.4 lbs/gal. If necessary to control formation fluids or pressure, the system will be weighted with the addition of bentonite gel, and if pressure conditions warrant, with barite.

No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh aquifers.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

Newfield Production will **visually** monitor pit levels and flow from the well during drilling operations.

7. <u>AUXILIARY SAFETY EQUIPMENT TO BE USED:</u>

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. <u>TESTING, LOGGING AND CORING PROGRAMS:</u>

a. Logging Program:

(the log types run may change at the discretion of the geologist)

FDC/CNL/GR/DLL:

TD - 3,200'

CBL: A cement bond log will be run from TD to the cement top of the production casing. A field copy will be submitted to the Vernal BLM Office.

- **b.** Cores: As deemed necessary.
- c. Drill Stem Tests: No DSTs are planned in the Green River.

Ten Point Well Program
Thirteen Point Well Program
Page 6 of 14

Drill stem tests, if they are run, will adhere to the following requirements: Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer (AO). However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DSTs may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a DST is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

9. <u>ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:</u>

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will approximately equal total depth in feet multiplied by a 0.433 psi/foot gradient.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

a. Drilling Activity

Anticipated Commencement Date:

Drilling Days:

Completion Days:

Upon approval of the site specific APD.

Approximately 7 days.

Approximately 10 - 14 days.

b. Notification of Operations

The Vernal BLM office will be notified at least 24 hours **prior** to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

<u>Immediate Report</u>: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the appropriate regulations, Onshore Orders, or BLM policy.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval from the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given to the BLM before resumption of operations.

Daily drilling and completion reports shall be submitted to the Vernal BLM Office on a weekly basis.

Whether the well is completed as a dry hole or a producer, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

A completion rig will be used for completion operations after the wells are stimulated to run the production tubing.. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No. 1, a well will be reported on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM Office.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the AO, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the AO.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the AO and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5(b.9.d), shall be submitted to the Vernal BLM Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5(b.4).

Well abandonment operations shall not be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment", Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final Abandonment will not be approved until the surface reclamation

Ten Point Well Program
Thirteen Point Well Program
Page 8 of 14

work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

NEWFIELD PRODUCTION COMPANY UTE TRIBAL 16-21-4-2 SE/SE SECTION 21, T4S, R2W DUCHESNE COUNTY, UTAH

THIRTEEN POINT SURFACE PROGRAM

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Newfield Production Company well location site Ute Tribal 16-21-4-2 located in the SE¼ SE¼ Section 21, T4S, R2W, S.L.B. & M., Duchesne County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.4 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly – 5.4 miles \pm to it's junction with an existing road to the southwest; proceed southwesterly - 0.3 miles \pm to it's junction with the beginning of the proposed access to the west; proceed in a westerly direction along the proposed access road – 1.5 miles \pm to the proposed well location.

The aforementioned dirt oil field service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads for access during the drilling, completion and production phase will be maintained at the standards required by the State of Utah, or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal. Any necessary fill material for repair will be purchase and hauled from private sources.

2. PLANNED ACCESS ROAD

Approximately 7,660' of access road is proposed. See attached Topographic Map "B".

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%.

There will be **no** culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There will be no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. **LOCATION OF EXISTING WELLS**

Refer to EXHIBIT B.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Ten Point Well Program Thirteen Point Well Program Page 10 of 14

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery, the well pad will be surrounded by a dike of sufficient capacity to contain at minimum 110% of the largest tank volume within the facility battery.

Tank batteries will be built to State specifications.

All permanent surface equipment will be painted Carlsbad. All facilities will be painted within six months of installation.

5. LOCATION AND TYPE OF WATER SUPPLY

Newfield Production will transport water by truck for drilling purposes from the following water sources:

Johnson Water District Water Right: 43-10136

Neil Moon Pond

Water Right: 43-11787

Maurice Harvey Pond Water Right: 47-1358

Newfield Collector Well

Water Right: 41-3530 (A30414DV, contracted with the Duchesne County Conservancy District).

There will be no water well drilled at this site.

6. SOURCE OF CONSTRUCTION MATERIALS

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road.

A mineral material application is not required for this location.

7. METHODS FOR HANDLING WASTE DISPOSAL

A small reserve pit (90' x 40' x 8' deep, or less) will be constructed from native soil and clay materials. The reserve pit will receive the processed drill cutting (wet sand, shale & rock) removed from the wellbore. Any drilling fluids, which do accumulate in the pit as a result of shale-shaker carryover, cleaning of the sand trap, etc., will be promptly reclaimed. All drilling fluids will be fresh water based, typically containing Total Dissolved Solids of less than 3000 PPM. No potassium chloride, chromates, trash, debris, nor any other substance deemed hazardous will be placed in this pit. Therefore, it is proposed that no synthetic liner be required in the reserve pit. However, if upon constructing the pit there is insufficient fine clay and silt present, a liner will be used for the purpose of reducing water loss through percolation.

Newfield requests approval that a flare pit not be constructed or utilized on this location.

A portable toilet will be provided for human waste.

Ten Point Well Program
Thirteen Point Well Program
Page 11 of 14

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

Immediately upon first production, all produced water will be confined to a steel storage tank. If the production water meets quality guidelines, it is transported to the Ashley, Monument Butte, Jonah, and Beluga water injection facilities by company or contract trucks. Subsequently, the produced water is injected into approved Class II wells to enhance Newfield's secondary recovery project.

Water not meeting quality criteria, is disposed at Newfield's Pariette #4 disposal well (Sec. 7, T9S R19E), State of Utah approved surface disposal facilities, or Federally approved surface disposal facilities.

8. **ANCILLARY FACILITIES:**

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. **WELL SITE LAYOUT:**

See attached Location Layout Sheet.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

- a) A 39-inch net wire shall be used with at least one strand of barbed wire on top of the net.
- b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.
- c) Corner posts shall be centered and/or braced in such a manner to keep tight at all times
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.
- e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Existing fences to be crossed by the access road will be braced and tied off before cutting so as to prevent slacking in the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BLM specifications.

10. PLANS FOR RESTORATION OF SURFACE:

a) Producing Location

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

Ten Point Well Program Thirteen Point Well Program Page 12 of 14

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximated natural contours. Weather permitting, the reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed.

b) Dry Hole Abandoned Location

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State of Utah will attach the appropriate surface rehabilitation conditions of approval.

11. **SURFACE OWNERSHIP:** Clinton Moon. See attached Surface Use Agreement.

12. **OTHER ADDITIONAL INFORMATION:**

Newfield Production Company requests 7,660' of disturbed area be granted to allow for construction of the planned access road. Refer to Topographic Map "B". A permanent width of 30' and a running surface of 18' is proposed for the planned access road. The construction phase of the planned access road will last approximately (5) days. The planned access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is deemed necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area. The maximum grade will be less than 8%. There will be no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road. There are no fences encountered along this proposed road. There will be no new gates or cattle guards required. All construction material for this access road will be borrowed material accumulated during construction of the access road.

Newfield Production Company requests 10,360' of disturbed area be granted for construction of the proposed gas lines. It is proposed that the disturbed area will temporarily be 50' wide to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line, with a permanent width of 30' upon completion of the proposed gas lines. The construction phase of the proposed gas lines will last approximately (5) days. Both proposed lines will tie in to the existing pipeline infrastructure. **Refer to Topographic Map "C."**

The Surface Use Aggreement for the portion of proposed pipeline that crosses John Kapos's property is enclosed.

- a) Newfield Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Newfield is to immediately stop work that might further disturb such materials and contact the Authorized Officer.
- b) Newfield Production will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. On State administered land it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other possible hazardous chemicals.
- c) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological and Paleontological Report Waiver is attached.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice to Lessees. A copy of these conditions will be furnished to the field representative to ensure compliance.

Hazardous Material Declaration

Newfield Production Company guarantees that during the drilling and completion of the Ute Tribal 16-21-4-2, Newfield will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986. Newfield also guarantees that during the drilling and completion of the Ute Tribal 16-21-4-2 Newfield will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Newfield Production Company or a contractor employed by Newfield Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office as well as the Ute Tribe Energy and Mineral Department shall be notified upon site completion prior to moving on the drilling rig.

13. <u>LESSEE'S OR OPERATOR'S REPRENSENTATIVE AND CERTIFICATION:</u>

Representative

Name:

Dave Allred

Address:

Newfield Production Company

Route 3, Box 3630 Myton, UT 84052

Telephone:

(435) 646-3721

Certification

Please be advised that Newfield Production Company is considered to be the operator of well #16-21-4-2, SE/SE Section 21, T4S, R2W, Duchesne County, Utah and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by, Federal Bond #WYB000493.

I hereby certify that the proposed drill site and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Newfield Production Company and its contractors and subcontractors in

Ten Point Well Program Thirteen Point Well Program Page 14 of 14

conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of the 18 U.S.C. 1001 for the filing of a false statement.

7/10/08

Date

Mandie Crozier

Regulatory Specialist

Newfield Production Company

EASEMENT, RIGHT-OF WAY

- and and

SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into this 23rd day of May, 2007 by and between John P, and Mary E. Kapos, 2840 Jenuie LN, Salt Lake City, Utah 84117-5514. ("Surface Owner," Whether one or more) and Newfield Production Company, a Texas corporation ("NEWFIELD"), with offices at 1401 17th Street, Suite #1000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Duchesne County, Utah described as follows:

Township 4 South, Range 2 West Section 23: SWNE, NESW, NWSE, SESW Duchesne County, Utah

being, 160 acres more or less,

and associated roads and pipeline routes beginning at each wellsite and traversing the lands as shall be agreed upon prior to the construction of same.

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

1. Compensation for Well; Release of All Claims

NEWFIELD shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement for Easement, Right-of Way and Surface Use by and between Surface Owner and NEWFIELD, dated May 23, 2007, as full payment and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, pipelines, gathering lines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for two years from date of this agreement and so long thereafter as NEWFIELD's oil and gas leases remain in effect.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

These Parties hereto have executed this document effective as of the day first above written.

JOHN P. AND MARY E. KAPOS

NEWFIELD PRODUCTION

Sa

III and Sapo lary E. Kapos, surface owner зу: ___

Gary D. Packer, President

EXHIBIT D

Ute Tribe 16-22-4-2

Portion of access road crosses Section 23, T4S, R2W

CULTURAL REPORT WAIVER

For the above referenced location; John Kapos, the Private Surface Owner. (Having a Surface Owner Agreement with Newfield Production Company)

John Kapos, representing this entity does agree to waive the request from the State of Utah and Bureau of Land Management for an Archaeological/Cultural Survey. This waiver hereby releases Newfield Production Company from this request.

John/K/apos

Date

Brad Mecham

Date

Private Surface Owner

Newfield Production Company

EXHIBIT D

Wells located on Clinton and Donette Moon (Private Land Owners)

ARCHAEOLOGICAL & PALEOTOLOGICAL REPORT WAIVER

For the above referenced location; Clinton and Donette Moon, the Private Surface Owner. (Having a Surface Owner Agreement with Newfield Production Company)

Clinton Moon, representing this entity does agree to waive the request from the State of Utah and Bureau of Land Management for an Archaeological/Cultural and Paleotological Resource Survey for any wells covered by the Surface Use Agreement dated 05/27/08 between the above said private land owner and Newfield Production. This waiver hereby releases Newfield Production Company from this request.

Clinton Moon

Private Surface Owner

Brad Mecham

Date **Newfield Production Company** SURFACE USE AGREEMENT OF HEWFIELD ROCKY MOUNTAIN

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into this 22nd day of March, 2007 by and between Clinton Moon whose address is HC 64 Box 113 Duchesne, Utah 84021 ("Surface Owner," whether one or more) and Newfield Production Company, a Texas corporation

Township 4 South, Range 2 West SE, NESW, SWSW, SESW, Section 22

lands, (the "Lands") situated in Duchesne County, Utah described as follows:

Duchesne County, Utah

being, 280 acres more or less,

and associated roads and pipeline routes beginning at each wellsite and traversing the lands as shall be agreed upon prior to the construction of same.

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

("NEWFIELD"), with offices at 1401 17th Street, Suite #1000, Denver, Colorado 80202, covering certain

1. Compensation for Well; Release of All Claims

NEWFIELD shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement for Easement, Right-of Way and Surface Use by and between Surface Owner and NEWFIELD, dated April 1, 2007, as full payment and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, pipelines, gathering lines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for two years from date of this agreement and so long thereafter as NEWFIELD's oil and gas leases remain in effect.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

These Parties hereto have executed this document effective as of the day first above written.

SURFACE OWNER

Clinton Moon, Surface Owner

NEWFIELD PRODUCTION COMPANY

fary D. Packer, President

Page 1 of 2

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| county of Duchesne is | k k s iyek b |
| This instrument was acknowledged before n | and and and |
| Clinton Moon | ne this day of Much 2007 by |
| ANGELIE IN THE CONTROL OF THE CONTRO | |
| Witness my hand and official seal. | |
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| BONACY FURLIS - STATE of The | |
| TRANSLETT, UT 04053 | M. · /// M. |
| CONF. EXPINES 1-11-2068 | |
| | Notary Public |
| My commission expires Numary 11, 2008 | Notary Tubic |
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| STATE OF COLORADO) | Section 1995 |
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| This instrument was acknowledged before m | e this 24 , 2007 by |
| Gary D. Packer, as President of Newfield Product | |
| corporation. | ton Congrany, a Texas corporation, on benan of the |
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| Witness my hand and official seal. | |
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| My commission expires 95/05/2009 | Manufacture |

Page 2 of 2

MEMORANDUM of EASEMENT, RIGHT-OF-WAY and SURFACE USE AGREEMENT

This Easement and Surface Use Agreement ("Agreement") is entered into this 27th day of May, 2008 by and between, Clinton and Donette Moon whose address is HC 64 Box 113, Duchesne Utah 84021 ("Surface Owner," whether one or more), and NEWFIELD PRODUCTION COMPANY, a Texas corporation ("NEWFIELD"), with offices at 1401 Seventeenth Street, Suite 1000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Duchesne County, Utah described as follows:

Township 4 South, Range 2 West

Section 20: NWNE, NENE, SWNE, SENE

Section 21: NWNW, SWNW, SENW, SWNE, SENE, NWSE, NESE, SWSW, SESW, SWSE, SESE

Section 28: Lot 1, Lot 2, Lot 3, Lot 4,

Duchesne County, Utah

being 726 acres, more or less

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

Compensation for Well; Release of All Claims

NEWFIELD shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement for Easement, Right-of Way and Surface Use by and between Surface Owner and NEWFIELD, dated May 27, 2008, as full payment and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, pipelines, gathering lines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for two years from date of this agreement and so long thereafter as NEWFIELD's oil and gas leases remain in effect.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

These Parties hereto have executed this document effective as of the day first above written.

| CLINTON AND DONETTE MOON | NEWFIELD PRODUCTION COMPANY |
|---------------------------------|------------------------------|
| By: Clinton Moon, Surface Owner | By:Gary D. Packer, President |
| By: Donette Moon Surface Owner | |

MEMORANDUM of EASEMENT, RIGHT-OF-WAY and SURFACE USE AGREEMENT

This Easement, Right-of-Way and Surface Use Agreement ("Agreement") is entered into this 14th day of August, 2007 by and between **Clinton and Donnette Moon whose address is HC 64 Box 113 Duchesne, Utah 84021** ("Surface Owner," whether one or more) and Newfield Production Company, a Texas corporation ("NEWFIELD"), with offices at 1401 17th Street, Suite #1000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Duchesne County, Utah described as follows:

Township 4 South, Range 2 West Section 23: NWSW, SWSW

Duchesne County, Utah

being, 80 acres more or less,

and associated roads and pipeline routes beginning at each wellsite and traversing the lands as shall be agreed upon prior to the construction of same.

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

1. <u>Compensation for Well; Release of All Claims</u>

NEWFIELD shall pay to Surface Owner the sum as set forth in and according to the terms of that certain Letter Agreement for Easement, Right-of Way and Surface Use by and between Surface Owner and NEWFIELD, dated August 14, 2007, as full payment and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its continuing activities for the production or transportation of oil, gas, or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, pipelines, gathering lines, pipeline interconnections, and any and all other reasonable or customary uses of land related to said operations or activities.

2. Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and subsurface gathering lines for each well drilled upon the Lands, pipelines, and pipeline interconnections for two years from date of this agreement and so long thereafter as NEWFIELD's oil and gas leases remain in effect.

This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

These Parties hereto have executed this document effective as of the day first above written.

| SURFACE OWNER | NEWFIELD PRODUCTION COMP | ANY |
|----------------------------------|------------------------------|-----|
| By: Clinton Moon, Surface Owner | By:Gary D. Packer, President | |
| By: Donnette Moon, Surface Owner | <i>5</i> | |

EASEMENT, RIGHT-OF-WAY and SURFACE USE AGREEMENT

This Easement and Surface Use Agreement ("Agreement") is entered into this 14th day of August 2007 by and between, Clinton and Donnette Moon whose address is HC 64 Box 113, Duchesne, Utah 84021, ("Surface Owner," whether one or more), and NEWFIELD PRODUCTION COMPANY, a Texas corporation ("NEWFIELD"), with offices at 1401 Seventeenth Street, Suite 1000, Denver, Colorado 80202, covering certain lands, (the "Lands") situated in Duchesne County, Utah described as follows:

Township 4 South, Range 2 West Section 23: NWSW, SWSW

Duchesne County, Utah being 80 acres, more or less

and associated road and pipeline routes beginning at each of the wellsites and traversing the lands as shall be agreed upon prior to the construction of same.

Grant of Right of Way and Easement

Surface Owner hereby grants, bargains, leases, assigns, and conveys to NEWFIELD an easement and right-of-way for the purpose of construction, using and maintaining access roads, locations for surface equipment and surface and subsurface gathering lines, pipelines, and pipeline interconnections, for each well drilled upon the Lands, for two years from the date of this agreement and so long thereafter as NEWFIELD's oil and gas leases on the Lands remain in effect.

For and in consideration of the sum of ten dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree to the terms and provisions set forth as follows:

Compensation for Operations; Release of All Claims

A. Drillsites, Access Roads, and Facilities

NEWFIELD shall pay to Surface Owner on or before the construction of any drillsite location, the sum of Two Thousand Dollars (\$2,000) for each well located on the surface and/or access road upon the surface of the Lands. Such payment shall be a one time payment per well as full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the Lands or growing crops thereon that may occur as a result of NEWFIELD's drilling or completion operations or its use of road rights-of way and its continuing activities related to the production or transportation of oil, gas or other hydrocarbons or products associated with the foregoing including, but not limited to, surface use, access, surface damages, and any and all other reasonable and customary uses of land related to said operations or activities.

Additionally, NEWFIELD shall pay to Surface Owner on or before August 14th of each year this agreement is in affect, as rental, the sum of One Thousand Dollars (\$1000) per year for each well located on the surface and/or access road upon the surface of the non-crop lands and Two Thousand Dollars (\$2000) per year for each well located on the surface and/or access road upon the surface of crop lands.

B. Road Access

Surface Owner hereby grants NEWFIELD the right to build and use roads to access each well location, as long as there is no interference with Surface Owners operations. NEWFIELD shall make such upgrades to the existing road as may be necessary for rig operations and shall continue to maintain each road so long thereafter as NEWFIELD's oil and gas leases remain in effect to that location.

C. Pipelines

NEWFIELD shall pay to Surface Owner, the amount as set out below, per rod for pipelines, gathering lines, and pipeline interconnections installed upon the Lands. The path and the length of the pipeline upon the Lands shall be established and measured during an on-site inspection prior to the commencement of drilling operations, which shall be approved by Surface Owner. A one time payment for each disturbed surface as full and final settlement and satisfaction for any and all detriment, depreciation, injury or damage of any nature to the lands or growing crops thereon that may occur as a result of NEWFIELD's pipeline operations.

- Ten Dollars (\$10.00) per rod for pipelines, gathering lines, and pipeline
 interconnections installed on crop lands upon the Lands. Crop land is defined as that
 which is now cultivated, seeded, harvested and the crop sold.
- 2. Five Dollars (\$5.00) per rod for pipelines, gathering lines, and pipeline interconnections installed on non-crop lands upon the Lands. Non-crop land is defined as that which is not crop land.

Agreement Terms for Operations of Drillsites, Access Roads, Pipelines, and Facilities

- A. Road/pipeline rights-of-way shall be limited to 30' in width, with an 18' travel surface and pipelines to be installed to one side of the right-of-way.
- B. Roads constructed by NEWFIELD shall, at all times, be properly graded, drained and maintained by NEWFIELD. Adequate culverts, at ditch and drainage crossing, and barrow pits shall be installed where roads cross ditches or drainages.
- C. Any fences cut shall be restored to their original condition and/or BLM fence specifications.
- D. If Surface Owner or NEWFIELD chooses to lock any gates on access routes, the party locking the gate will provide keys to NEWFIELD or Surface Owner.
- E. Fences will be installed around the locations and/or gates and/or cattlegaurds installed any where along the access road as needed upon request of the Surface Owner.
- F. All road rights-of-way herein conveyed shall be for the private use of NEWFIELD, its agents, employees, contractors and subcontractors only, with no right of use to the public.
- G. Surface Owner, his agents and/or assigns, shall have the right to use the roads constructed by NEWFIELD under the terms of this Agreement. However, such use shall be at Surface Owner's sole risk and expense and Surface Owner shall indemnify and hold NEWFIELD harmless against any claims for injuries and/or losses, which result form such use of roads. Should NEWFIELD no longer need to use all or any portion of the roads constructed on the leased premises, Surface Owner shall have the option, but not the obligation, to take over maintenance of such road. Should Surface Owner elect not to take over maintenance of the abandoned road or road section, NEWFIELD shall restore such road surface according to the standards set forth herein.
- H. Restoration of the Lands shall commence as soon as practicable after drilling and completion activities are concluded. All disturbed Land will be maintained and reclaimed in accordance with Bureau of Land Management Standards.
- I. All pipelines and flow lines outside of the permanent production facility shall be laid on the surface. When requested by Surface Owner, pipelines traversing crop lands, as defined above, may be buried below plow depth and surface areas impacted by the construction shall be rehabilitated to their original state.
- J. Newfield agrees to reclaim all pipelines that it abandons and restore the surface in accordance with Bureau of Land Management Standards.
- K. This agreement is made and entered into for the drilling and continued operations of wells located on the Lands as described above. Any additional wells, road easements, pipelines for wells outside of the described Lands shall require additional contracts to be negotiated at that time.

Notices

Notices by either party hereto shall be promptly given in writing and mailed to:

Surface Owner:

Clinton and Donnette Moon

Attn: Clinton Moon HC 64 Box 113 Duchesne, Utah 84021

435-738-2059

NEWFIELD:

Newfield Production Company 1401 17th Street, Suite 1000

Denver, CO 80202

(303) 893-0102 FAX:(303) 893-0103

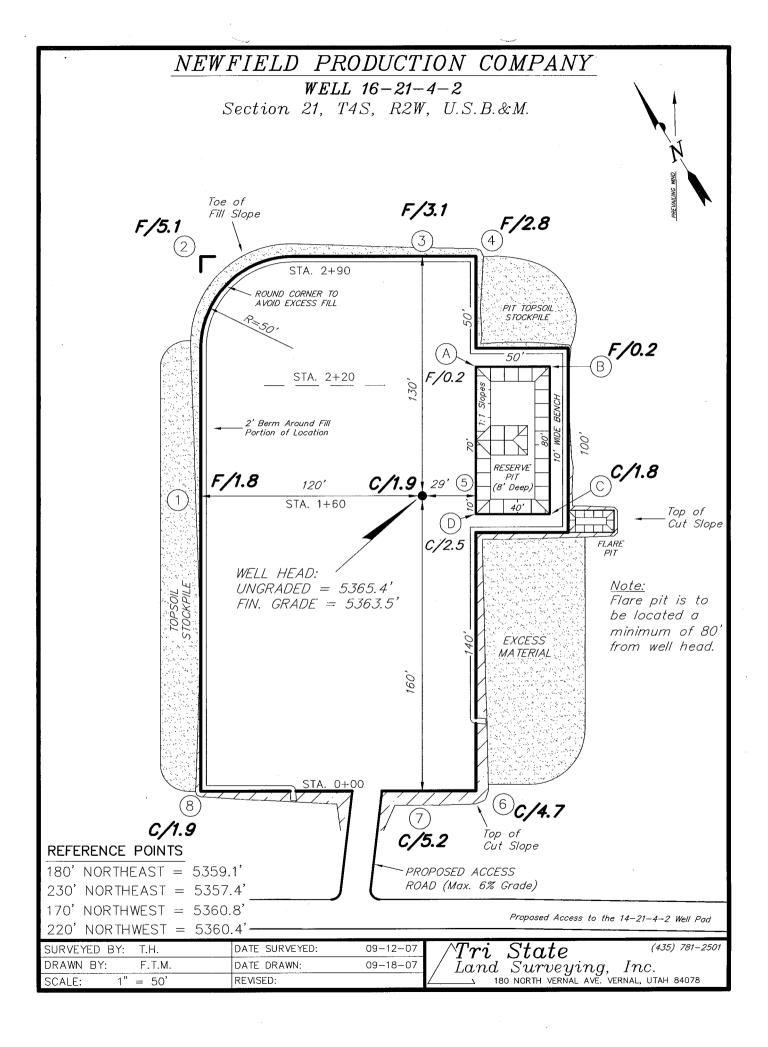
This Agreement shall be binding upon the respective heirs, executors, administrators, successors, and assigns of the undersigned.

The parties hereto have executed this document and made effective as of the day first above written.

NEWFIELD PRODUCTION COMPANY

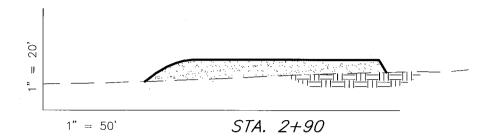
| By: | |
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| Ī | Gary D. Packer, President |
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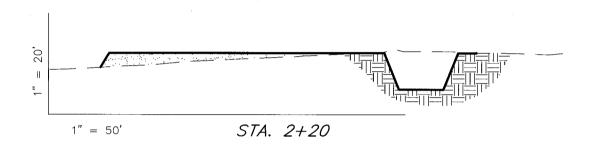
Donnette Moon, Surface Owner

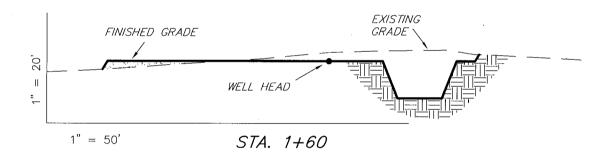


NEWFIELD PRODUCTION COMPANY

CROSS SECTIONS
WELL 16-21-4-2









1" = 50'

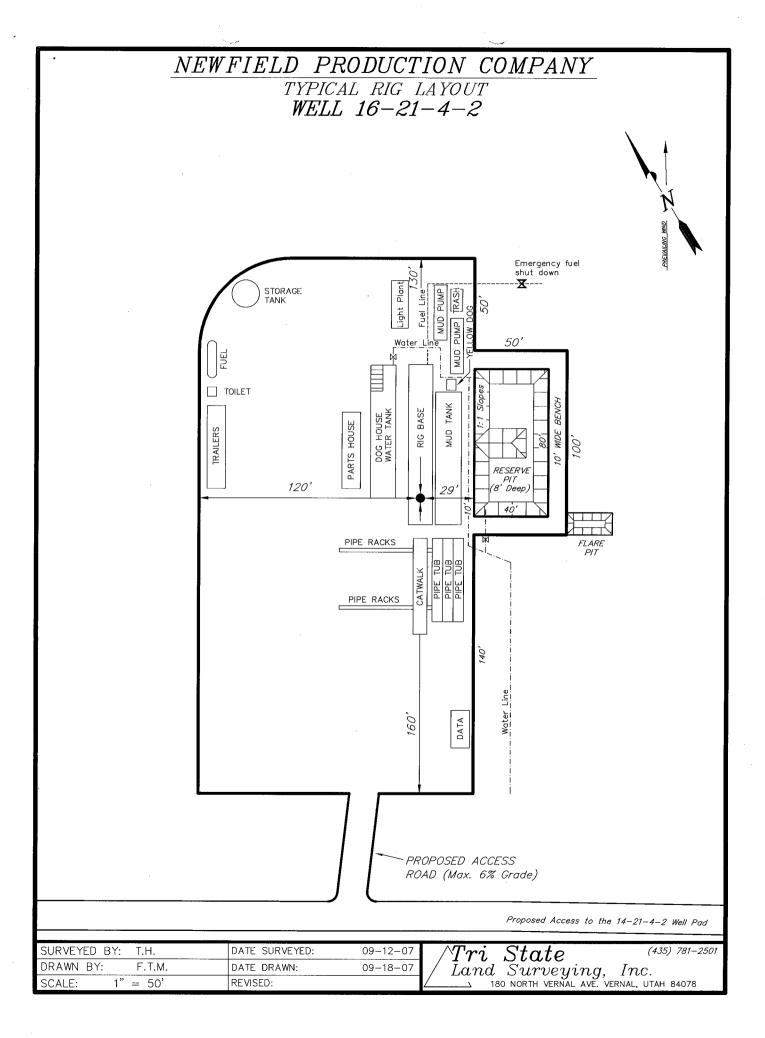
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|--------|-------|-------|------------|--------|
| ITEM | CUT | FILL | 6" TOPSOIL | EXCESS |
| PAD | 1,770 | 1,770 | Topsoil is | 0 |
| PIT | 640 | 0 | in Pad Cut | 640 |
| TOTALS | 2,410 | 1,770 | 960 | 640 |

NOTE: UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1

| SURVEYED BY: | T.H. | DATE SURVEYED: | 09-12-07 |
|--------------|--------|----------------|----------|
| DRAWN BY: | F.T.M. | DATE DRAWN: | 09-18-07 |
| SCALE: 1" | = 50' | REVISED: | |



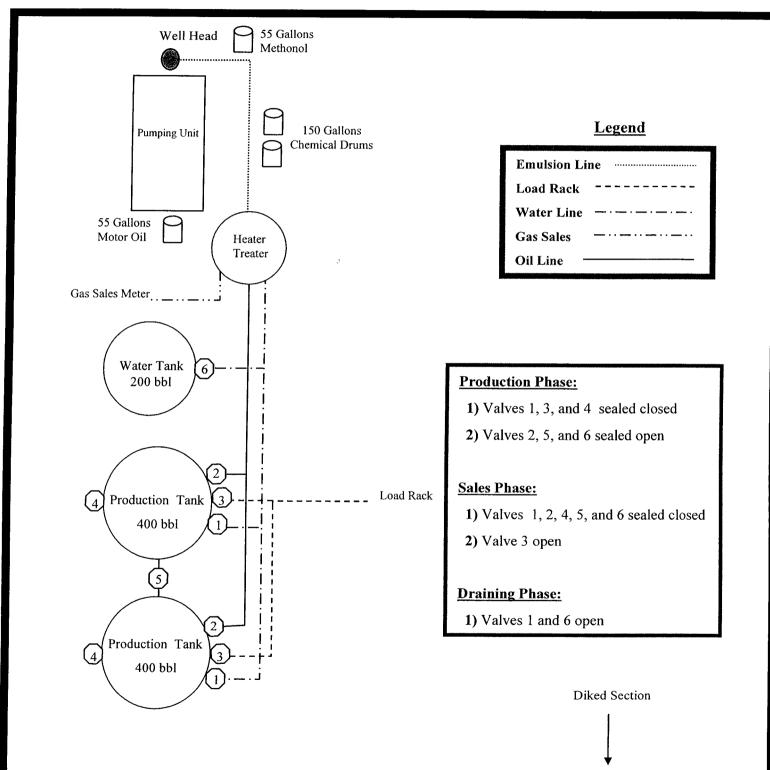
I wfield Production Com ny Proposed Site Facility Diagram

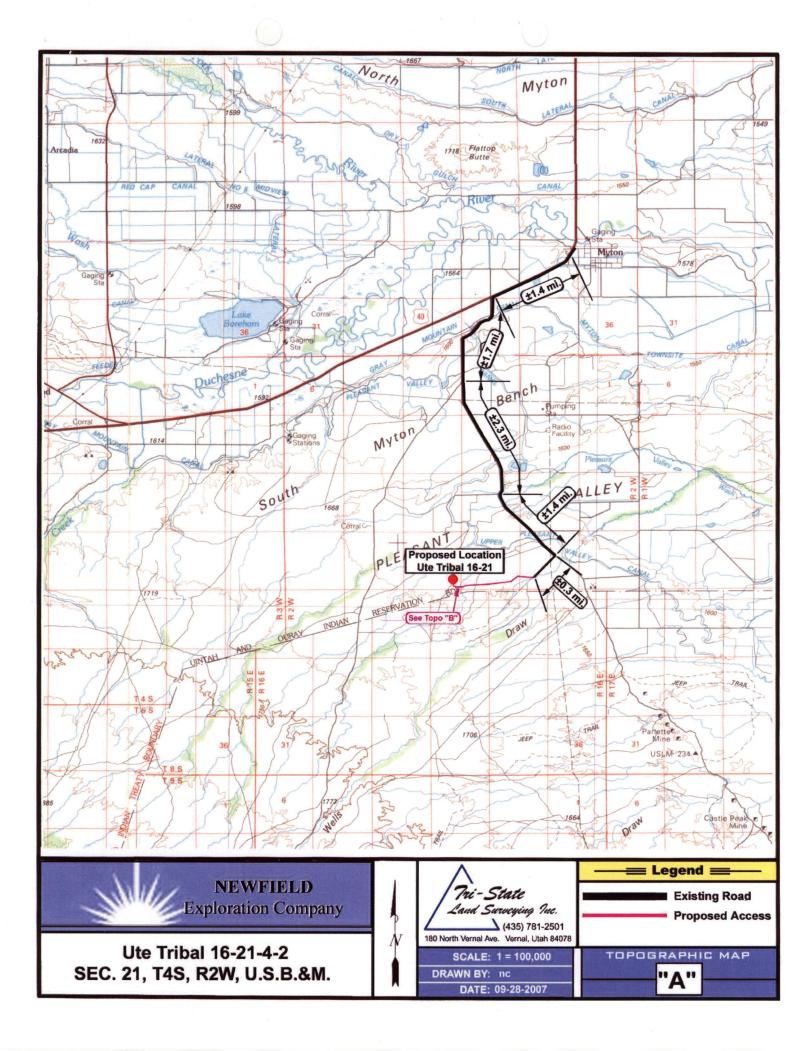
Ute Tribal 16-21-4-2

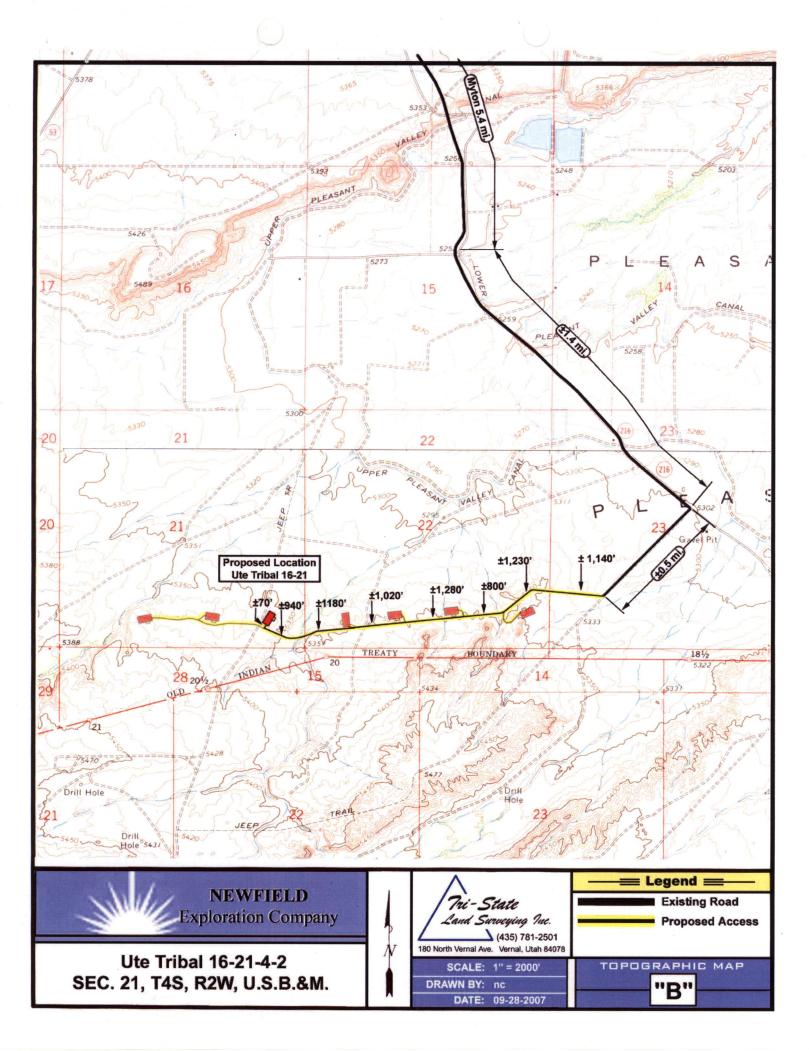
SE/SE Sec. 21, T4S, R2W

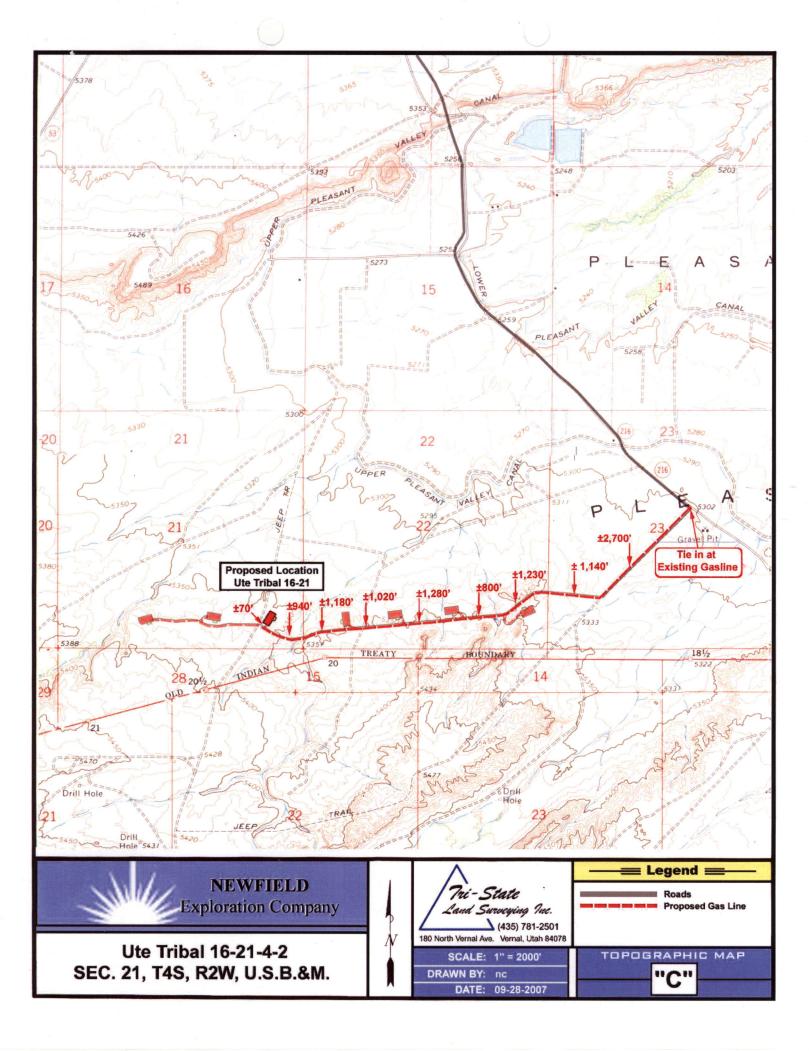
Duchesne County, Utah

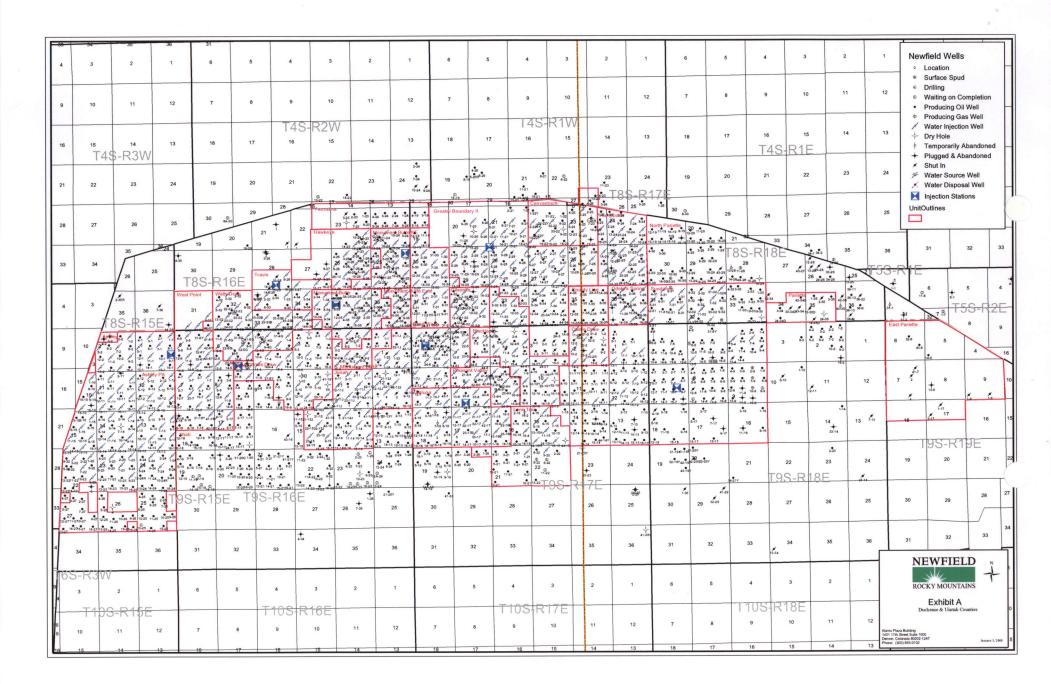
2OG0005609

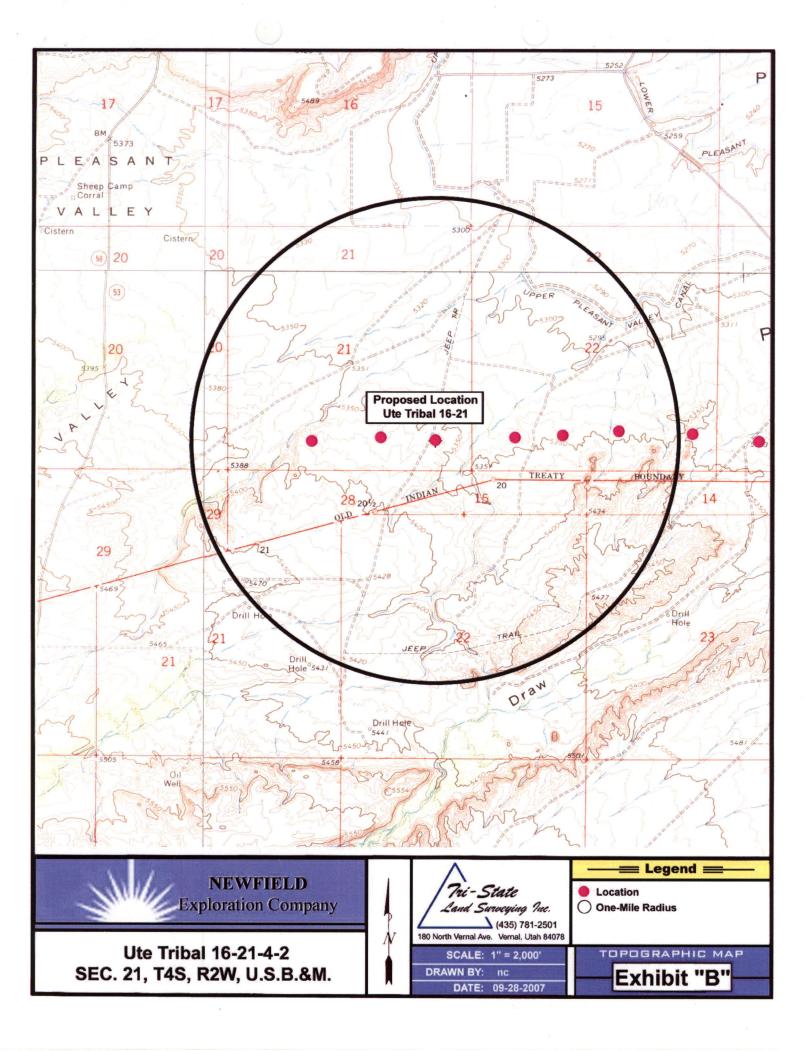












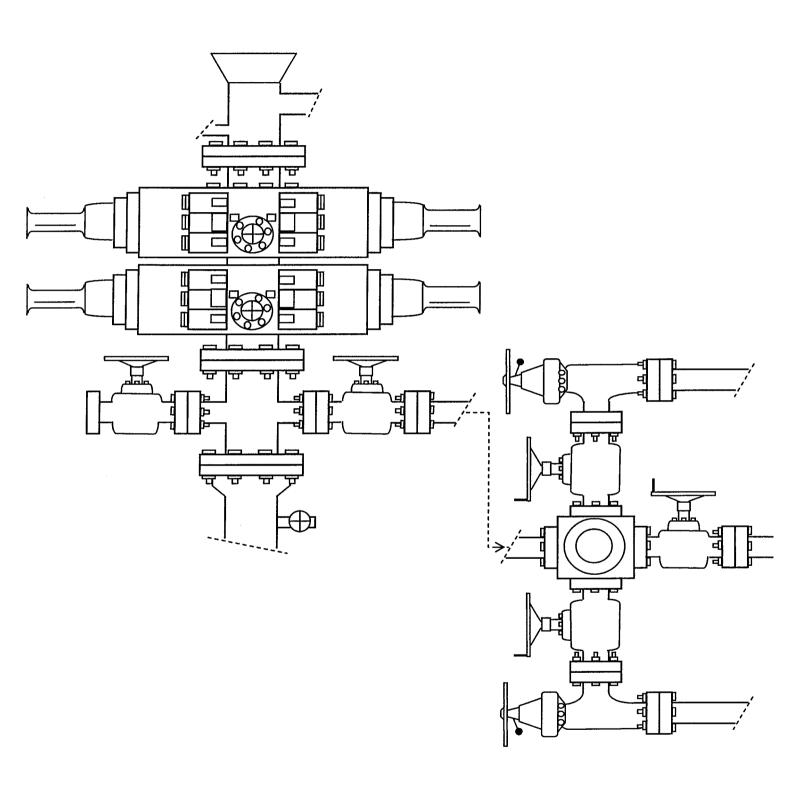
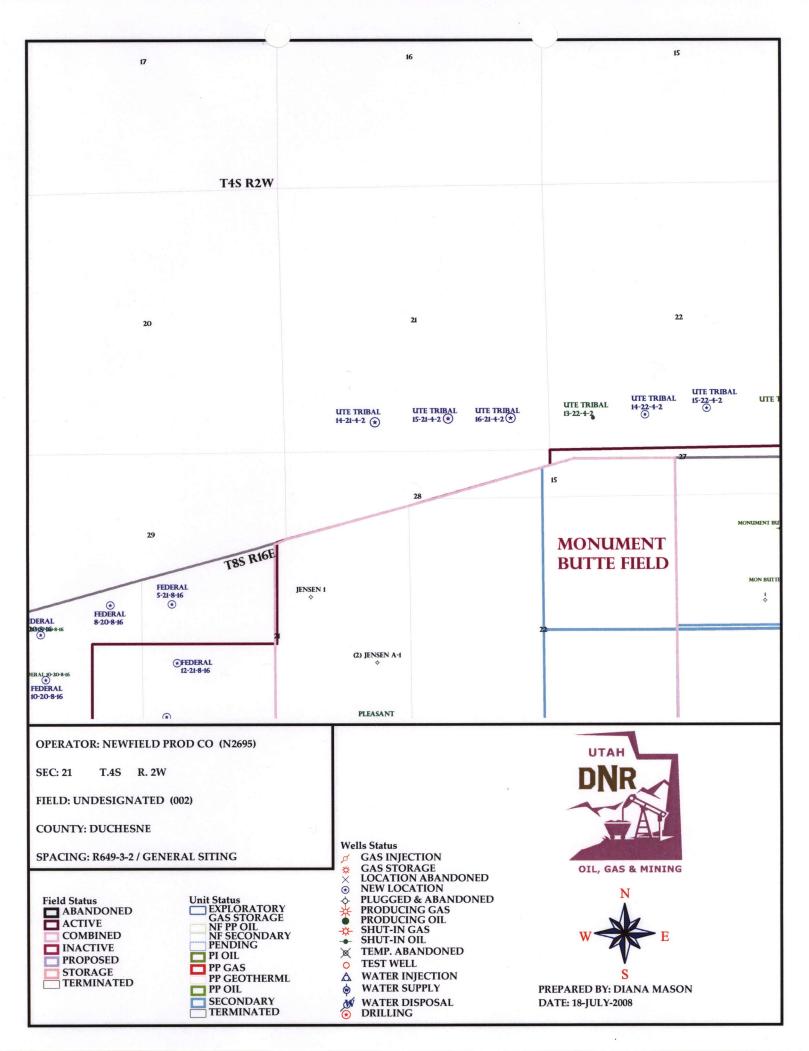


EXHIBIT C

WORKSHEET APPLICATION FOR PERMIT TO DRILL

| APD RECEIVED: 07/14/2008 | API NO. ASSIGNED: 43-013-34034 | | | |
|---|---|--|--|--|
| WELL NAME: UTE TRIBAL 16-21-4-2 OPERATOR: NEWFIELD PRODUCTION (N2695) CONTACT: MANDIE CROZIER | PHONE NUMBER: 435-646-3721 | | | |
| PROPOSED LOCATION: | INSPECT LOCATN BY: / / | | | |
| SESE 21 040S 020W | Tech Review Initials Date | | | |
| SURFACE: 0656 FSL 0729 FEL BOTTOM: 0656 FSL 0729 FEL | Engineering | | | |
| COUNTY: DUCHESNE | Geology | | | |
| LATITUDE: 40.11498 LONGITUDE: -110.1069 UTM SURF EASTINGS: 576112 NORTHINGS: 44406 | Surface | | | |
| FIELD NAME: UNDESIGNATED (2 | | | | |
| LEASE TYPE: 2 - Indian LEASE NUMBER: 20G0005609 SURFACE OWNER: 4 - Fee | PROPOSED FORMATION: GRRV COALBED METHANE WELL? NO | | | |
| RECEIVED AND/OR REVIEWED: | LOCATION AND SITING: | | | |
| Plat Bond: Fed[] Ind[2] Sta[] Fee[] | R649-2-3. | | | |
| (No. <u>WYB000493</u>) | Unit: | | | |
| <u>√</u> Potash (Y/N) ✓ Oil Shale 190-5 (B) or 190-3 or 190-13 | R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells | | | |
| Water Permit | R649-3-3. Exception | | | |
| (No. 43-10136) RDCC Review (Y/N) | Drilling Unit | | | |
| (Date:) | Board Cause No: | | | |
| Fee Surf Agreement (Y/N) | Siting: | | | |
| Intent to Commingle (Y/N) | R649-3-11. Directional Drill | | | |
| COMMENTS: Needs 4 | resit. (08-0508) | | | |
| STIPULATIONS: 1- Ve des Operon OF BASIS 2- STATEMENT OF BASIS | | | | |
| | | | | |



Application for Permit to Drill Statement of Basis

8/19/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No

API WellNo

Status

Well Type OW

Surf Ownr

CBM No

879

43-013-34034-00-00 NEWFIELD PRODUCTION COMPANY

Surface Owner-APD

Well Name UTE TRIBAL 16-21-4-2

Unit

Field **UNDESIGNATED**

Type of Work

Location

SESE 21 4S 2W U 656 FSL 729 FEL

GPS Coord (UTM) 576112E 4440691N

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Ute Tribe. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cementing programs.

Brad Hill

8/19/2008

APD Evaluator

Date / Time

Surface Statement of Basis

The proposed location is approximately 8.6 road miles southwest of Myton, UT in a sub-drainage of Pleasant Valley Wash which drains into the Pariette Draw drainage of Duchesne County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 13 miles downstream from the location. Broad flats with those in lower Pleasant Valley frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access is by State, County and existing or planned oil field development roads. Seventy feet of new road will be constructed to reach the location.

The proposed Ute Tribal 16-21-4-2 oil well location is in the non-irrigated area of upper Pleasant Valley. It is on gently rolling terrain with a slight slope to the northeast. Swales on the west and northeast will be missed. No springs, streams, seeps or ponds are known to exist in the immediate area.

The surface is private, owned by Mr. Clinton Moon. The minerals are owned by the United States Government and held in trust for the Ute Indian Tribe. The BLM, representing the Ute Tribe conducted a previous pre-site evaluation and did not invite the Utah Division of Oil gas and Mining. Mr. Moon attended this visit. Mr. Kevin Stevens of Newfield also attended this evaluation and stated Mr. Moon had no significant concerns not covered in the Land Owner Agreement.

The location appears to be a suitable site for drilling and operating a well.

Floyd Bartlett

8/5/2008

Onsite Evaluator

Date / Time

Conditions of Approval / Application for Permit to Drill

Category

Condition

Pits

A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be

properly installed and maintained in the reserve pit.

Surface

The reserve pit shall be fenced upon completion of drilling operations.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator

NEWFIELD PRODUCTION COMPANY

Well Name

UTE TRIBAL 16-21-4-2

API Number

43-013-34034-0

APD No 879

Field/Unit UNDESIGNATED

Location: 1/4,1/4 SESE

Sec 21

Tw 4S

656 FSL 729 FEL

GPS Coord (UTM) 576119

4440701

Rng 2W Surface Owner

Participants

Floyd Bartlett (DOGM), Kevin Stevens (Newfield).

Regional/Local Setting & Topography

The proposed location is approximately 8.6 road miles southwest of Myton, UT in a sub-drainage of Pleasant Valley Wash which drains into the Pariette Draw drainage of Duchesne County. Both of these draws contain perennial streams somewhat consisting of irrigation runoff and seepage. Pariette Draw runs into the Green River approximately 6 miles downstream from Ouray, Utah and about 13 miles downstream from the location. Broad flats with those in lower Pleasant Valley frequently used for agriculture characterize the area. Flats are intersected by drainages with gentle to moderate side slopes. Access is by State, County and existing or planned oil field development roads. Seventy feet of new road will be constructed to reach the location.

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Surface Use Plan

Current Surface Use

Grazing

Recreational

Wildlfe Habitat

New Road

Miles

Well Pad

Src Const Material

Surface Formation

0.01

Width 199

Length 290

Onsite

UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetland N

Flora / Fauna

Well vegetated desert shrub type consisting of cheatgrass, halogeton, , globe mallow, shadscale, sagebrush, ,curly mesquite, horsebrush, Indian ricegrass and spring annuals.

Cattle, deer, prairie dogs, small mammals and birds.

Soil Type and Characteristics

Moderately deep rocky sandy clay loam.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N Paleo Potental Observed?

Cultural Survey Run? N

Cultural Resources?

Reserve Pit

| Site-Specific Factors | | Site R | anking | | |
|--------------------------------------|------------------|-------------|--------|---|--------------------------|
| Distance to Groundwater (feet) | 100 to 200 | | 5 | | |
| Distance to Surface Water (feet) | >1000 | | 0 | | |
| Dist. Nearest Municipal Well (ft) | >5280 | | 0 | | |
| Distance to Other Wells (feet) | 300 to 1320 | | 10 | | |
| Native Soil Type | Mod permeability | | 10 | | |
| Fluid Type | Fresh Water | • | 5 | | |
| Drill Cuttings | Normal Rock | | 0 | | |
| Annual Precipitation (inches) | <10 | | 0 | | |
| Affected Populations | <10 | | 0 | | |
| Presence Nearby Utility Conduits | Not Present | | 0 | | |
| | | Final Score | 30 | 1 | Sensitivity Level |

Characteristics / Requirements

A reserve pit 40' x 80' x 8' deep will be located in an area of cut on the northeast side of the location. A pit liner is required. Newfield commonly uses a 16 mil liner.

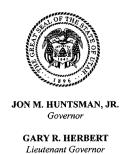
Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Floyd Bartlett **Evaluator**

8/5/2008

Date / Time



State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 20, 2008

Newfield Production Company Rt. #3, Box 3630 Myton, UT 84052

Re:

Ute Tribal 16-21-4-2 Well, 656' FSL, 729' FEL, SE SE, Sec. 21, T. 4 South, R. 2 West,

Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-34034.

Sincerely,

Gil Hunt

Associate Director

Tir The

pab Enclosures

cc:

Duchesne County Assessor

Bureau of Land Management, Vernal Office



| Operator: | Newfield Production Company | | | |
|--------------------|----------------------------------|-----------|--|--|
| Well Name & Number | Ute Tribal 16-21-4-2 | | | |
| API Number: | 43-013-34034 | | | |
| Lease: | 2OG0005609 | | | |
| Location: SE SE | Sec. 21 T. 4 South | R. 2 West | | |

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

RECEIVED VERNAL FIELD OFFICE

Form 3160-3 (September 2001)

2000 JUL 14 PM

FORM APPROVED OMB No. 1004-0136 Expires January 31, 2004

UNITED STATES

| DEPARTMENT OF THE IN BUREAU OF LAND MANAG | | DEPT OF T | THEINT | 20G00056 | 609 | | |
|--|-----------------------|------------------------------------|----------------|---|----------------------|----------|-------------|
| APPLICATION FOR PERMIT TO DR | | | L DAIAN | 6. If Indian, Allottee of | or Tribe Name | ; | |
| AFFEIGATION FOR FERMIN TO BR | | | | Ute | | | |
| la. Type of Work: DRILL REENTER | | | - | 7. If Unit or CA Agreen N/A | ment, Name a | nd No. | · |
| 1b. Type of Well: Oil Well Gas Well Other | | Zone 🔲 Multip | ole Zone | 8. Lease Name and We Ute Tribal 16-21- | | | |
| Name of Operator Newfield Production Company | | e e | | 9. API Well No. 43 013 | 3403 | A | |
| 3a. Address | 3b. Phone No. (in | | | 10. Field and Pool, or Ex | cploratory | | - |
| Route #3 Box 3630, Myton UT 84052 | (435) 64 | 16-3721 | | Monument Butt | | | |
| 4. Location of Well (Report location clearly and in accordance with a | ny State requirem | ents.*) | | 11. Sec., T., R., M., or B | Ilk. and Surve | y or Are | a |
| At surface SE/SE 656' FSL 729' FEL At proposed prod. zone | | | - | SE/SE Sec. 21, | T4S R2W | | |
| 14. Distance in miles and direction from nearest town or post office* | ···· | | | 12. County or Parish | 13. | State | |
| Approximatley 8.6 miles south of Myton, Utah | | | | Duchesne | דט | <u>-</u> | |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 656' f/lse, NA' f/unit | 16. No. of Acres | | 17. Spacin | g Unit dedicated to this we 40 Acres | ell | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. Approx. 1249' | 19. Proposed De 6850' | epth | | BIA Bond No. on file | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) | 22. Approximat | e date work will sta | rt* | 23. Estimated duration | | | |
| 5365' GL | 4th Quarter | | | Approximately seven (7) days fro | om spud to rig relea | ise | |
| | 24. Attachn | nents | | | | | _ |
| The following, completed in accordance with the requirements of Onshor | e Oil and Gas Ord | er No.1, shall be at | tached to this | form: | | - | _ |
| Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). | Lands the 5 | Item 20 above). Operator certific | ation. | ormation and/or plans as | - | | |
| 25. Signature Corin | | nted/Typed) Crozier | | I I | Date 7/10/08 | | <u> </u> |
| Title Regulatory Specialist | | | | · | | | |
| Approved by (Signature) | 1 | inted/Typed) | (A | 1 1 1 | FEB | 17 | <u>2003</u> |
| Title Assistant Field Manager Lands & Mineral Resources | Office | VERNALI | FIELD (| FFICE | | | |
| Application approval does not warrant or certify the the applicant holds le | gal or equitable ti | tle to those rights in | the subject | lease which would entitle | the applicant | to condi | ıct |

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

Conditions of approval, if any, are attached.

operations thereon.

RECEIVED MAR 0 2 2009

DIV. OF OIL, GAS & MINING





UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Newfield Production Company

Location:

SESE, Sec. 21, T4S, R2W

Well No:

Ute Tribal 16-21-4-2

Lease No:

2OG0005609

API No:

43-013-34034

Agreement:

N/A

| Title | Name | Office Phone Number | Cell Phone Number |
|-----------------------------------|--------------------|---------------------|-------------------|
| Petroleum Engineer: | Matt Baker | (435) 781-4490 | (435) 828-4470 |
| Petroleum Engineer: | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer: | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| Supervisory NRS: | Karl Wright | (435) 781-4484 | |
| NRS/Enviro Scientist: | Holly Villa | (435) 781-4404 | (435) 828-3544 |
| NRS/Enviro Scientist: | James Hereford | (435) 781-3412 | (435) 828-3546 |
| NRS/Enviro Scientist: | Chuck Macdonald | (435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist: | Dan Emmett | (435) 781-3414 | (435) 828-4029 |
| NRS/Enviro Scientist: | Paul Percival | (435) 781-4493 | (435) 828-7381 |
| NRS/Enviro Scientist: | Anna Figueroa | (435) 781-3407 | (435) 828-3548 |
| NRS/Enviro Scientist: | Verlyn Pindell | (435) 781-3402 | (435) 828-3547 |
| NRS/Enviro Scientist: | Nathan Packer | (435) 781-3405 | (435) 828-3545 |
| NRS/Enviro Scientist: | David Gordon | (435) 781-4424 | |
| NRS/Enviro Scientist: | Christine Cimiluca | (435) 781-4475 | |
| NRS/Enviro Scientist: | Lori Ford | (435) 781-4406 | |
| | | Fax: (435) 781-3420 | |

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

| <u> </u> | OIII IO | ATTOT RECORDERED TO |
|--------------------------------|---------|--|
| Construction Activity | - | The Ute Tribe Energy & Minerals Dept. shall be notified in |
| · | | writing 48 hours in advance of any construction activity. The |
| | | Ute Tribal office is open Monday through Thursday. |
| Construction Completion | - | Upon completion of the pertinent APD/ROW construction, |
| - | | notify the Ute Tribe Energy & Minerals Dept. for a Tribal |
| | | Technician to verify the Affidavit of Completion. |
| Spud Notice | - | Twenty-Four (24) hours prior to spudding the well. |
| (Notify Petroleum Engineer) | | |
| Casing String & Cementing | - | Twenty-Four (24) hours prior to running casing and cementing |
| (Notify Supv. Petroleum Tech.) | | all casing strings. |
| BOP & Related Equipment Tests | - | Twenty-Four (24) hours prior to initiating pressure tests. |
| (Notify Supv. Petroleum Tech.) | | |
| First Production Notice | - | Within Five (5) business days after new well begins or |
| (Notify Petroleum Engineer) | | production resumes after well has been off production for more |
| | | than ninety (90) days. |

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

BLM CONDITIONS OF APPROVAL SPLIT ESTATE SURFACE USE PROGRAM (IN CONSULTATION WITH THE PRIVATE SURFACE OWNER) APPLICATION FOR PERMIT TO DRILL

UT 14-21-4-2, UT 15-21-4-2, UT 16-21 -4-2

- 1. For Ute Tribal 14-21-4-2: install a low water crossing at the wash on the eastern side of the well pad.
- 2. For Ute Tribal 16-21-4-2: install a low water crossing or culvert at the drainage channel that is located approximately 900 ft. on the eastern side of the well pad.
- 3. Restrictions for placement of surface pipelines:
 - a) Surface pipelines will be placed 5-10 feet outside of the borrow area.
 - b) Surface pipelines will be placed in such a way that they will not wander into the borrow area.
 - c) Pipelines will be buried at all major road and drainage crossings.
- 4. Interim Reclamation:

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the Private Surface owner.

 During interim reclamation of the surface, the following seed mixture will be used PLS (Pure Live Seed) formula as recommended by the Surface Land Owner.

| galleta grass (Hilaria jamesii) | 3 lbs/acre | | | |
|---|------------|--|--|--|
| shadscale (Atriplex confertifolia)) | 3 lbs/acre | | | |
| Scarlet Globemallow (Sphaeralcea coccinea) | 3 lbs/acre | | | |
| hycrest crested wheatgrass | | | | |
| (Agropyron cristayum/Agropyron desertorum hybrid hybrid | 2 lbs/acre | | | |

Rates are set for drill seeding; double the rate if broadcasting.

- Reseeding may be required if initial seeding is not successful.
- 5. Paint all facilities Carlsbad Canyon within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

Page 3 of 8 Well: Ute Tribal 16-21-4-2 2/11/2009

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- Production casing cement shall be brought up and into the surface.
- All requirements will be adhered to covering air/gas drilling operations as described in Onshore Order #2 III. E. 1. Drilling Operations, Special Drilling Operations, air/gas drilling.

Variance(s) to Onshore Order #2 Drilling Operations III. E.

- Automatic igniter or continuous pilot light on the blooie line Requirement waived for ignitor and pilot light Operators blooie line output fluid stream is an aerated water stream
- Compressors located in opposite direction from the blooie line a minimum of 100 feet Compressors are truck mounted. Operators standard practice is to rig up with truck mounted compressors oriented ninety degrees to blooie line. Compressors are truck mounted with spark arresters.
- Requirement for rotating head equipment Requirement waived for rotating head equipment subtitution of rotating head equipment with a diverter bowl equipment (drilling without back pressure)
- Specification of blooie line discharge where Blooie line discharge 100 feet from well bore. blooie line can be 35 feet for surface hole drilling.
- No hydrocarbons present in drilled intervals reduced size well pad
- Covering mud drilling operations, a variance is granted for Onshore Order #2 Drilling Operations III. C. Mud Program Requirements "flare line discharge shall be located not less than 100 feet from well head" Flare line discharge line can be 80 feet.
- Logging: A Gamma Ray well Log shall be run from the well Total Depth to the surface. A copy of the Gamma Ray well Log shall be submitted to the BLM Vernal Field Office.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.

- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Page 5 of 8 Well: Ute Tribal 16-21-4-2 2/11/2009

- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - O Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - o Unit agreement and/or participating area name and number, if applicable.
 - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

Page 7 of 8 Well: Ute Tribal 16-21-4-2 2/11/2009

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

Page 8 of 8 Well: Ute Tribal 16-21-4-2 2/11/2009

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

FORM 3160-5 (June 1990)

Conditions of approval, if any:

CC: Utah DOGM

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| CONFIDENT FORM APPROVED Badget Bureau No. 1004-0135 Expires: March 31, 1993 |
|---|
|---|

| BUREAU OF I | LAND MANAGEMENT | Expires: March 31, 1993 | |
|---|--|--|---|
| OUNDRY NOTICES AND | DEPORTS ON WELLS | 5. Lease Designation and Serial No. | |
| | D REPORTS ON WELLS | 2OG0005609 | _ |
| Do not use this form for proposals to drill or to dee | | 6. If Indian, Allottee or Tribe Name | |
| Use "APPLICATION F | OR PERMIT -" for such proposals | NA | |
| | | | _ |
| OUDINE IN | TDID! 10 ATE | 7. If Unit or CA, Agreement Designation | |
| | TRIPLICATE | NA | |
| 1. Type of Well Gas | - WED | 8. Well Name and No. | _ |
| X Well Well Other | OECET - ONG | UTE TRIBAL 16-21-4-2 | |
| | Kr 75 2000 | 9. API Well No. | _ |
| 2. Name of Operator | MAR | 43-013-34034 | _ |
| NEWFIELD PRODUCTION COMPANY | TRIPLICATE RECEIVED WAR 25 2009 WAR 25 2009 ON. OF OIL, GAS & WINN | 10. Field and Pool, or Exploratory Area | |
| 3. Address and Telephone No. | 146 2721 and OF OIL | UNDESIGNATED | _ |
| Rt. 3 Box 3630, Myton Utah, 84052 435-64. Location of Well (Footage, Sec., T., R., m., or Survey Description) | 010-3721 DIV. | 11. County or Parish, State | |
| 656 FSL 729 FEL SE/SE Section | | DUCHESNE COUNTY, UT. | |
| 030 F3E 727 FEE SE/SE Section | 21, 145 12 17 | Deciles de Court I, e I. | |
| 12. CHECK APPROPRIATE BOX(s) | TO INDICATE NATURE OF NOTICE, REPOR | RT, OR OTHER DATA | - |
| TYPE OF SUBMISSION | TYPE OF | | |
| | | | |
| X Notice of Intent | Abandonment | Change of Plans | |
| Cultural Parant | Recompletion Plugging Back | New Construction Non-Routine Fracturing | |
| Subsequent Report | Casing Repair | Water Shut-Off | |
| Final Abandonment Notice | Altering Casing | Conversion to Injection | |
| | X Other Tight Hole Status | Dispose Water | |
| | | (Note: Report results of multiple completion on Well | |
| | | Completion or Recompletion Report and Log form.) | _ |
| 13. Describe Proposed or Completed Operations (Clearly state all pertinent details ally drilled, give subsurface locations and measured and true vertical depths | | work. If well is direction- | |
| any diffici, give substitute founds and financial and the votion depine | o tot an marketo and zonec position to and moraly | | |
| Newfield Production Company is requ | uesting "Tight Hole Status" on the abo | ve mentioned APD | |
| rewriting froduction Company is requ | desting Tight Hole Status on the doo | o mondoned in B. | |
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| 4 | | | = |
| 14. I hereby certify that the foregoing is true and correct | mul Descriptions C 111 | 2/04/2000 | |
| Signed James Con | Title Regulatory Specialist | Date 3/24/2009 | _ |
| Mandie Crozier O | · | | _ |
| CC: UTAH DOGM | | | _ |
| (This space for Federal or State office use) | | - | |
| Approved by | Title | Date | |

| | STATE OF UTAH | | FORM 9 | | |
|--|--|---|--|--|--|
| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | | 5.LEASE DESIGNATION AND SERIAL NUMBER: 20G0005609 | | |
| | RY NOTICES AND REPORTS O | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: UTE | | |
| | sals to drill new wells, significantly deepen exi ugged wells, or to drill horizontal laterals. Use | | 7.UNIT or CA AGREEMENT NAME: | | |
| 1. TYPE OF WELL Oil Well | | | 8. WELL NAME and NUMBER: UTE TRIBAL 16-21-4-2 | | |
| 2. NAME OF OPERATOR: NEWFIELD PRODUCTION COM | IPANY | | 9. API NUMBER: 43013340340000 | | |
| 3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84 | 435 646-4825 Ext | PHONE NUMBER: | 9. FIELD and POOL or WILDCAT: UNDESIGNATED | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FSL 0729 FEL | TO DANCE MEDITIVAN | | COUNTY: DUCHESNE | | |
| QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESE Section: 21 | Township: 04.0S Range: 02.0W Meridian: U | | STATE: UTAH | | |
| 11. | CK APPROPRIATE BOXES TO INDICATE | NATURE OF NOTICE, REPORT, | OR OTHER DATA | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | |
| ✓ NOTICE OF INTENT | ACIDIZE | ALTER CASING | CASING REPAIR | | |
| Approximate date work will start: 8/13/2009 | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | |
| | ☐ CHANGE WELL STATUS ☐ DEEPEN ☐ | COMMINGLE PRODUCING FORMATIONS FRACTURE TREAT | ☐ CONVERT WELL TYPE ☐ NEW CONSTRUCTION | | |
| SUBSEQUENT REPORT Date of Work Completion: | OPERATOR CHANGE | PLUG AND ABANDON | ☐ PLUG BACK | | |
| | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | RECOMPLETE DIFFERENT FORMATION | | |
| SPUD REPORT Date of Spud: | ☐ REPERFORATE CURRENT FORMATION ☐ | SIDETRACK TO REPAIR WELL | ☐ TEMPORARY ABANDON | | |
| | ☐ TUBING REPAIR ☐ | VENT OR FLARE | ☐ WATER DISPOSAL | | |
| DRILLING REPORT Report Date: | ☐ WATER SHUTOFF ☐ | SI TA STATUS EXTENSION | ✓ APD EXTENSION | | |
| Report Date. | ☐ WILDCAT WELL DETERMINATION ☐ | OTHER | OTHER: | | |
| 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Newfield Production Company requests to extend the Permit to Drill this well for one year. Approved by the Utah Division of Oil, Gas and Mining Date: August 17, 2009 By: | | | | | |
| NAME (PLEASE PRINT) Mandie Crozier | PHONE NUMBER 435 646-4825 | TITLE Regulatory Tech | | | |
| SIGNATURE N/A | | DATE 8/13/2009 | | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013340340000

API: 43013340340000

Well Name: UTE TRIBAL 16-21-4-2

Location: 0656 FSL 0729 FEL QTR SESE SEC 21 TWNP 040S RNG 020W MER U

Company Permit Issued to: NEWFIELD PRODUCTION COMPANY

Date Original Permit Issued: 8/20/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not requ

| uire revision. Following is a che | cklist of some items related to the application, which should be verified. |
|--|--|
| • If located on private land, has updated? Yes No | s the ownership changed, if so, has the surface agreement been |
| Have any wells been drilled in siting requirements for this lo | n the vicinity of the proposed well which would affect the spacing or ocation? Yes No |
| Has there been any unit or ot of this proposed well? | her agreements put in place that could affect the permitting or operation es 📵 No |
| Have there been any changes affect the proposed location? | to the access route including ownership, or rightof- way, which could Yes 📵 No |
| • Has the approved source of w | vater for drilling changed? 📗 Yes 📵 No |
| | changes to the surface location or access route which will require a as discussed at the onsite evaluation? (Yes (No |
| • Is bonding still in place, whic | Approved by the h covers this proposed well? Yes No Utah Division of Oil, Gas and Mining |
| nature: Mandie Crozier | Date: 8/13/2009 |

Sign

August 17, 2009 Title: Regulatory Tech Representing: NEWFIELD PRODUCTION COMPANY Date:

| STATE OF UTAH | | | FORM 9 | | | |
|---|--|----------|---------------------------------|--|--|--|
| DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | | | 5.LEASE DESIGNATION AND SERIAL NUMBER: 20G0005609 | | |
| | RY NOTICES AND REPORTS | | | 6. IF I | NDIAN, ALLOTTEE OR TRIBE NAME: | |
| | sals to drill new wells, significantly deeper ugged wells, or to drill horizontal laterals. I | | | 7.UNI | or CA AGREEMENT NAME: | |
| 1. TYPE OF WELL Oil Well | | | | | L NAME and NUMBER: RIBAL 16-21-4-2 | |
| 2. NAME OF OPERATOR: NEWFIELD PRODUCTION COM | IPANY | | | | NUMBER: 3340340000 | |
| 3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84 | | ONE NU | MBER: | | .D and POOL or WILDCAT: SIGNATED | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0656 FSL 0729 FEL QTR/QTR, SECTION, TOWNSHI | TD DANGE MEDIDIAN. | | | DUCH | IESNE | |
| | Township: 04.0S Range: 02.0W Meridian: | : U | | STATE UTAH | | |
| 11. | CK APPROPRIATE BOXES TO INDICA | ATE NA | TURE OF NOTICE, REPORT | , OR OT | HER DATA | |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | | |
| | ☐ ACIDIZE | □ аі | LTER CASING | | CASING REPAIR | |
| Approximate date work will start: | ☐ CHANGE TO PREVIOUS PLANS | □ сн | HANGE TUBING | | CHANGE WELL NAME | |
| 8/20/2010 | ☐ CHANGE WELL STATUS | □ co | OMMINGLE PRODUCING FORMATIONS | | CONVERT WELL TYPE | |
| SUBSEQUENT REPORT | ☐ DEEPEN | ☐ FE | RACTURE TREAT | | NEW CONSTRUCTION | |
| Date of Work Completion: | OPERATOR CHANGE | □ рі | LUG AND ABANDON | | PLUG BACK | |
| | PRODUCTION START OR RESUME | ☐ RI | ECLAMATION OF WELL SITE | | RECOMPLETE DIFFERENT FORMATION | |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | □ s1 | IDETRACK TO REPAIR WELL | | TEMPORARY ABANDON | |
| | ☐ TUBING REPAIR | □ vi | ENT OR FLARE | | WATER DISPOSAL | |
| ☐ DRILLING REPORT | ☐ WATER SHUTOFF | □ sı | I TA STATUS EXTENSION | 1 | APD EXTENSION | |
| Report Date: | ☐ WILDCAT WELL DETERMINATION | □ o | THER | ОТН | HER: | |
| l . | DMPLETED OPERATIONS. Clearly show all pe | | | volumes, | etc. | |
| Newfield reques | its to extend the permit to dri | ill this | s well for one year. | | | |
| | | | | | Approved by the | |
| | | | | | Utah Division of I, Gas and Mining | |
| | | | | OI | i, Gas and Minning | |
| | | | | ate: | August 23, 2010 | |
| | | | | 1 | 00 cal 110 | |
| | | | · · | 3À: <u>√</u> | A CONTRACTOR OF THE PARTY OF TH | |
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| | | | | | | |
| NAME (PLEASE PRINT) Mandie Crozier | PHONE NUMBER 435 646-4825 | 3 | TITLE Regulatory Tech | | | |
| SIGNATURE N/A | | | DATE 8/13/2010 | | | |
| _ · | | | • • | | | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43013340340000

API: 43013340340000

Well Name: UTE TRIBAL 16-21-4-2

Location: 0656 FSL 0729 FEL QTR SESE SEC 21 TWNP 040S RNG 020W MER U

Company Permit Issued to: NEWFIELD PRODUCTION COMPANY

Date Original Permit Issued: 8/20/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not requ

| iire revision | . Following is a chec | klist of some items related to the | e application, which should be verified. |
|--------------------|--|--|---|
| | on private land, has | s the ownership changed, if so, h | as the surface agreement been |
| | | n the vicinity of the proposed well ocation? (a) Yes (a) No | ll which would affect the spacing or |
| | been any unit or ot oposed well? | | could affect the permitting or operation |
| | e been any changes proposed location? | | vnership, or rightof- way, which could |
| • Has the a | pproved source of w | vater for drilling changed? 🔵 Y | res 📵 No |
| | | changes to the surface location of the changes to the surface location of the change o | or access route which will require a tion? (a) Yes (a) No |
| • Is bondin | g still in place, whic | h covers this proposed well? | Approved by the Yes No Utah Division of Oil, Gas and Mining |
| nature: Mai | ndie Crozier | Date: 8/13/2010 | |
| | | | A4 22 2010 |

Sign

Title: Regulatory Tech Representing: NEWFIELD PRODUCTION COMPANY Date:

COMFDENTAL

Spud BLM - Vernal Field Office - Notification Form

| Operator Ne | wfield Production | | Rig |
|---------------|---|-------------------------|------------------|
| Name/# Ros | ss Rig # 29 | Submitted | By <u>Johnny</u> |
| Davis | Phone Nu | mber <u>(435)-823-3</u> | <u>612</u> |
| 3A/-U NI /0 | | | |
| _ | Number <u>Ute Tribal 16</u> - | <u>-21-4-</u> | |
| Otr/Otr SESI | E Section 21 | Townshin 4S | |
| Range 2W_ | | 10W13HIP <u>13</u> | <u> </u> |
| Lease Serial | | | |
| 20G0005609 |) | | <u>.</u> |
| API Number | _43-013-34034 | | |
| | | | |
| Snud Notice | Spud is the initial s | nudding of the we | ll not drilling |
| | casing string. | padding of the we | ii, not ariiing |
| | | | |
| | ime <u>10/7/10</u> | 8:00 | $_$ AM $igties$ |
| PM L | | | |
| Casing – Ple | ase report time casing | run starts not ce | ementina |
| times. | | g rain starts, not co | arrieriting |
| Surface | e Casing | | |
| Intermediate | ediate Casing | | |
| Product | tion Casing | | |
| Liner | | | |
| Other | | | |
| Date/Ti | ime <u>10/7/10</u> | 2:00 | AM PM |
| | | 2.00 | _ / ((1) 11)1 |
| | | | |
| BOPE | | | |
| 💹 🛮 Initial E | BOPE test at surface c | asing point | |

| | BOPE test at intermediate ca 30 day BOPE test Other | asing point | | | | |
|-----|---|-------------|----|--|--|--|
| | Date/Time | AM [| РМ | | | |
| Rem | narks | | | | | |

OPERATOR: NEWFIELD PRODUCTION COMPANY

ADDRESS: RT. 3 BOX 3630

MYTON, UT 84052

OPERATOR ACCT. NO. N2695

| ACTION | CURRENT ENTITY NO. | NEW | API NUMBER | WELL NAME | | | | | | | | | | |
|----------------|--|----------------------------------|------------|----------------------|------------------|------|-----------|---------|--------------|-------------------|-------------------|--|--|--|
| CODE | ENTITY NO. | NEW ENTITY NO. | 77.1.0 | WELL NAME | - 00 | WELL | LOCATION | COUNTY | SPUD DATE | EFFECTIVE DATE | | | | |
| A | 99999 | /78/7 | 4301334034 | UTE TRIBAL 16-21-4-2 | SESE | 21 | 48 | 2W | DUCHESNE | 10/7/2010 | 10/19/10 | | | |
| WELL 1 | COMMENTS: | | | | : | | | 1 | -l | AAUFIA | | | | |
| | GRRI | | | | | | | | | CONFID | ENTIAL | | | |
| ACTION | CURRENT ENTITY NO. | NEW | API NUMBER | WELL NAME | | WE | LL LOCA | TON | | SPUD | EFFECTIVE | | | |
| 3000 | ENTITY NO. | ENTITY NO. | | | 20 | sc | Ϋ́P | RG | COUNTY | DATE | DATE | | | |
| Α | 99999 | 17818 | 4301350373 | UTE TRIBAL 6-13-4-3 | SENW | 13 | 48 | 3W | DUCHESNE | 10/1/2010 | 10/19/10 | | | |
| 10000 | GRRV | | | | | | | | | | | | | |
| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | | | WELL | OCATION | | SPUD | EFFECTIVE | | | |
| | | | | | GG | SC | IP. | RG | COUNTY | SPUD DATE | LITCORVE | | | |
| Α | 99999 | 17819 | 4304740507 | UTE TRIBAL 6-35-4-1E | SENW | 35 | 45 -15 | 1E | UINTAH | 9/30/2010 | 10/19/10 | | | |
| | GRRV | | | | | | | | | | | | | |
| ACTION | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | | | WELL | OCATION | | SPUD | EFFECTIVE | | | |
| | | | | | 00 | SC | TP | RG | COUNTY | DATE | DATE | | | |
| | | | | W | | | | | | | | | | |
| ACTION | CURRENT | T again | | | | | | | | | | | | |
| CODE | ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | | | | OCATION | | SPUD | EFFECTIVE | | | |
| | | | | | QQ | SC | TP | RG | COUNTY | DATE | DATE | | | |
| | | | | | | | | | | | | | | |
| | OMMENTS: | | | | | | | | <u></u> | | . | | | |
| ACTION | CURRENT | NEW | API NUMBER | WELL NAME | | | WELL | OCATION | | SPUD | EFFCOTN # | | | |
| 2206 | ENTITY NO. | ENTITY NO. | | | 00 | sc | TP | ŔĠ | COUNTY | DATE | EFFECTIVE DATE | | | |
| | | | | | | | | | | | | | | |
| WELL 5 C | OMMENTS: | | | | _1 | i | | | | | | | | |
| | | | | | | | | | | 2 | | | | |
| ACTION C | ODES (See Instructions on bac | k of form) | | | | | | | | - / 2 | | | | |
| | new entity for new well (single to | | | RECEIVE | =D | | | | 1) | A 1//1 . | | | | |
| C-fi | well to existing entity (group or rom one existing entity to anothe | usia well) er existino entity | | IIFOLIAL | | | | | <i>X</i> | NUC | ✓ Jentri Park | | | |
| D- v | well from one existing entity to a | new entity | | חרד ז ב זונ | n i n | | | | Signature | 1 | | | | |
| | ner (explain in comments sectio | | | UC 1 4 ZU | OCT 1 🧸 2010 | | | | | | | | | |

E - ther (explain in comments section)

Production Clerk

10/14/10 Date

|) | |
|---|---------------|
| | FORM 3160-5 |
| | (August 2007) |

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| FORM APPR | ROVED |
|---------------|---------|
| OMB No. 10 | 04-0137 |
| Expires: July | 31,2010 |

| SUNDR\ Do not use t abandoned w | BIA 14-20-H62-6268 6. If Indian, Allottee or Tribe Name. | | | | | | | | | |
|--|---|---|--|-----------------------------|---|--|--|--|--|--|
| | TRIPLICATE - Other In | structions on page 2 | | 7. If Unit or CA/A | agreement, Name and/or | | | | | |
| 1. Type of Well Oil Well Gas Well | Other | | | 8. Well Name and | | | | | | |
| 2. Name of Operator | | | | | | | | | | |
| NEWFIELD PRODUCTION CO | UTE TRIBAL 16 | J-Z1-4-Z | | | | | | | | |
| 3a. Address Route 3 Box 3630 | | 3b. Phone (include are | code) | 4301334034 | | | | | | |
| Myton, UT 84052 | | 435.646.3721 | | | , or Exploratory Area | | | | | |
| 4. Location of Well (Footage, | Sec., T., R., M., or Survey Descript | ion) | | MYTON-TRIBA | | | | | | |
| SESE Section 21 T4S R2W | SESE Section 21 T4S R2W | | | | | | | | | |
| 12. CHECK | APPROPRIATE BOX(ES |) TO INIDICATE NA | TURE OF N | DUCHESNE, U OTICE, OR OT | | | | | | |
| TYPE OF SUBMISSION | | TYPI | E OF ACTION | | | | | | | |
| ☐ Notice of Intent ☑ Subsequent Report | Acidize Alter Casing Casing Repair Change Plans | Deepen Fracture Treat New Construction Plug & Abandon | Reclamat | | Water Shut-Off Well Integrity Other Spud Notice | | | | | |
| Final Abandonment | Convert to Injector | Plug Back | Water Di | sposal | | | | | | |
| Final Abandonment Notices shall be inspection.) On 10/9/10 MIRU Ross # Set @ 342.77' KB. On 10 with 1.17 cf/sk yield. Ret | peration results in a multiple completion of filed only after all requirements, included 29. Spud well @ 8:00 AM. 10/12/10 cement with 170 sks turned 4 bbls cement to pit. | ding reclamation, have been condition of 12 1/4" howof class "G" w/ 2% CawOC. | npleted, and the op le with air mis | erator has determined t | that the site is ready for final 8 5/8" J-55 24# casing. | | | | | |
| I hereby certify that the foregoing is correct (Printed/ Typed) | true and | Title | | | | | | | | |
| Mitch Benson | | Drilling Forema | ın | | | | | | | |
| Signature // LA Re | u | Date 10/12/2010 | | | | | | | | |
| | THIS SPACE FOR | R FEDERAL OR STA | ATE OFFIC | E USE | | | | | | |
| Approved by Conditions of approval, if any, are attach certify that the applicant holds legal or ec | | | | Date | | | | | | |
| which would entitle the applicant to cond | luct operations thereon. | - Onio | | | | | | | | |
| Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious and fraudulent | J U.S.C. Section 1212, make it a crime f statements or representations as to any | or any person knowingly and w matter within its jurisdiction | rillfully to make to | any department or ager | RECEIVED | | | | | |

(İnstructions on page 2)

OCT 18 2010

NEWFIELD PRODUCTION COMPANY - CASING & CEMENT REPORT

| | | | 8 5/8" | CASING SET A | т | 342.77 | | | |
|----------------------|------------|-----------|---------------|--------------|---|-----------|------------|--------------|---------|
| LAST CASING DATUM | 14 | _ SET AT | 12 | | | | Newfield I | Exploration | Company |
| DATUM TO CUT | | · | 12 | - | | | | | |
| DATUM TO BRA | | | | - | FIELD/PROSPECT Monument Butte CONTRACTOR & RIG # Ross Rig # | | | | |
| TD DRILLER | | | GER | | CONTRAC | IUR & RIC | J# | ROSS RIG #2 | .9 |
| HOLE SIZE | | • | , | | | | | | |
| | 12 1/4 | | | - | | | | | |
| LOG OF CASING | 3 STRING: | | | | | | | | |
| PIECES | OD | ITEM - M | IAKE - DESC | CRIPTION | WT/FT | GRD | THREAD | CONDT | LENGTH |
| 1 | | Well Head | | | | | | Α | 0.95 |
| 8 | 8 5/8" | ST&C Cas | ing (38.6' sh | noe joint) | 24 | J-55 | STC | A | 330.92 |
| 1 | | Guide Sho | | | | | † † | Α | 0.9 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | † | | |
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| | | | | | | | 1 | | |
| | | | | - | | | | | |
| | | | | | | | 1 | | |
| CASING INVENT | ORY BAL. | | FEET | JTS | TOTAL LEN | NGTH OF S | STRING | | 332.77 |
| TOTAL LENGTH | OF STRING | Э | 332.77 | 8 | LESS CUT | OFF PIEC | E | | 2 |
| LESS NON CSG. | . ITEMS | | 1.85 | | PLUS DAT | UM TO T/C | CUT OFF CS | э | 12 |
| PLUS FULL JTS. | LEFT OUT | | 0 | | CASING SE | ET DEPTH | | | 342.77 |
| | TOTAL | | 330.92 | 8 | 7, | | | • | |
| TOTAL CSG. DE | L. (W/O TH | RDS) | 330.92 | 8 |] } COMPA | \RE | | | |
| Т | IMING | | | | 7 | | | | |
| BEGIN RUN CSC | Э. | Spud | 8:00 AM | 10/9/2010 | GOOD CIR | C THRU J | OB \ | Yes | |
| CSG. IN HOLE | | | 2:00 PM | 10/9/2010 | | | URFACE 4 | ~ | |
| BEGIN CIRC | | | 9:54 AM | 10/12/2010 | RECIPROC | CATED PIP | No No | | |
| BEGIN PUMP CN | ЛT | | 10:03 AM | 10/12/2010 | 1 | | | | |

10:23 AM

10/12/2010

10:14 AM 10/12/2010 BUMPED PLUG TO 72

BEGIN DSPL. CMT

PLUG DOWN

| CEMENT USED | | | BJ Services | | | | | | | |
|--------------------|-------------|----------------------------|--|---|--|--|--|--|--|--|
| STAGE | # SX | | CEMENT TYPE & ADDI | TIVES | | | | | | |
| 1 | 170 | Class "G" + 2% CaCl2 + 0.2 | Class "G" + 2% CaCl2 + 0.25#/sk Cello Flake at 15.8 ppg w/ 1.17 yield. | | | | | | | |
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| CENTRALIZED | O CODATO | LIED DI ACEMENIT | | OLIOWANE A OD COMO | | | | | | |
| | | HER PLACEMENT | J of these | SHOW MAKE & SPACING | | | | | | |
| iviluale of first, | top of seco | ond, and third for a total | ii ot three. | | | | | | | |
| | | | | | | | | | | |

| COMPANY REPRESENTATIVE | Mitch Benson | DATE | 10/12/2010 |
|------------------------|--------------|------|--------------|
| | | | . 07 1212010 |

STATE OF UTAH

CONFIDENTIAL

DEPARTMENT OF NATURAL RESOURCES 5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING BIA 14-20-H62-6268 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 8. WELL NAME and NUMBER: 1. TYPE OF WELL: OIL WELL GAS WELL OTHER UTE TRIBAL 16-21-4-2 9. API NUMBER: 2. NAME OF OPERATOR: 4301334034 NEWFIELD PRODUCTION COMPANY 3. ADDRESS OF OPERATOR: 10. FIELD AND POOL, OR WILDCAT: PHONE NUMBER Route 3 Box 3630 ZIP 84052 435.646.3721 MYTON-TRIBAL EDA CITY Myton STATE UT 4. LOCATION OF WELL: FOOTAGES AT SURFACE: 0656 FSL 0739 FEL COUNTY: DUCHESNE OTR/OTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE, 21, T4S, R2W STATE: UT CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION DEEPEN ACIDIZE REPERFORATE CURRENT FORMATION ■ NOTICE OF INTENT FRACTURE TREAT ALTER CASING SIDETRACK TO REPAIR WELL CASING REPAIR NEW CONSTRUCTION TEMPORARITLY ABANDON Approximate date work will CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR CHANGE TUBING PLUG AND ABANDON VENT OR FLAIR ■ SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER DISPOSAL (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/STOP) WATER SHUT-OFF Date of Work Completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE X OTHER: - Weekly Status Report 11/16/2010 CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The above subject well was completed on 11-16-10, attached is a daily completion status report.

(This space for State use only)

NAME (PLEASE PRINT) Lucy Chavez-Naupoto

RECEIVED NOV 2 3 2010

TITLE_Administrative Assistant

11/18/2010

Daily Activity Report

Format For Sundry **UTE TRIBAL 16-21-4-2** 9/1/2010 To 1/30/2011

11/5/2010 Day: 1

Completion

Rigless on 11/5/2010 - Ran CBL and perforated 1st stage. SIWFN w/ 166 BWTR. - NU frac head & Cameron BOP's. RU Hot oiler & test casing, frac head, frac valves & BOP to 4500 psi. RU WLT w/ mast & pack off tool. Run CBL under pressure. WLTD was 6904' w/ TOC @ surface. RIH w/ 3 1/8" ported guns & perforate Wasatch sds @ 6789- 96' w/ (11 gram, .36"EH, 16.82¿ pen. 120°) 3 spf for total of 21 shots. RD WLT & Hot Oiler. SIWFN w/ 166 BWTR.

Daily Cost: \$0

Cumulative Cost: \$12,538

11/9/2010 Day: 2

Completion

Rigless on 11/9/2010 - Frac 3 stages. - Stage #2: RU Perforators LLC WLT, crane & lubricator. RIH w/ Weatherford 5-1/2" composite (6K) flow through frac plug & perf guns. Set plug @ 6493'. Perferate CP2/1 sds w/ 3-1/8" Port Guns (11 gram, .36"EH, 120°, 16.82"pen) w/ 3 spf for total of 18 shots. RU BJ & open well w/ 2139 psi on casing. Perfs broke down @ 2231 psi back to 2226 w/ 2 bbls @ 3 bpm. Pump 30 gals of Techni Hib chemical @ 4% by volume. Frac w/ 14,336#'s of 20/40 sand in 412 bbls of Lightning 17 frac fluid. Treated @ ave pressure of 2996 w/ ave rate of 26 bpm w/ 4 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2426 w/ .82FG. 5 min was 2331. 10 min was 2265. 15 min was 2226. Leave pressure on well. 1031 bbls EWTR. - Stage #3: RU WLT. RIH w/ frac plug & perf guns. Set plug @ 6005'. Perferate A1 sds w/ 3 spf for total of 36 shots. RU BJ & open well w/ 1978 psi on casing. Perfs broke down @ 2099 psi back to 2050 w/ 2 bbls @ 3 bpm. Pump 30 gals of Techni Hib chemical @ 4% by volume. Frac w/ 60,464#'s of 20/40 sand in 552 bbls of Lightning 17 frac fluid. Treated @ ave pressure of 2762 w/ ave rate of 30 bpm w/ 8 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2495 w/ .86FG. 5 min was 2317. 10 min was 2193. 15 min was 2186. Leave pressure on well. 1583 bbls EWTR. -Stage #1: RU BJ Services "Ram Head" frac flange. RU BJ & open well w/ 73 psi on casing. Perfs broke down @ 3624 psi back to 2820 w/ 3 bbls @ 3 bpm. ISIP was 2736 w/ .84FG. 1 min was 2575. 4 min was 2408. Pump 6 bbls of 15% HCL acid (had a 500 psi drop when hit perfs). Pump 30 gals of Techni Hib chemical @ 4% by volume. Frac w/ 23,360#'s of 20/40 sand in 453 bbls of Lightning 17 frac fluid. Treated @ ave pressure of 3278 w/ ave rate of 24 bpm w/ 6 ppg of sand step up. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 3129 w/ .89FG. 5 min was 2942. 10 min was 2890. 15 min was 2855. Leave pressure on well. 619 bbls EWTR.

Daily Cost: \$0

Cumulative Cost: \$73,978

11/10/2010 Day: 3

Completion

Rigless on 11/10/2010 - Finish frac 2 stages. Set kill plug. - Stage #5: RU WLT. RIH w/ frac plug & perf guns. Set plug @ 5170'. Perferate GB2 sds w/ 3 spf for total of 15 shots. RU BJ & open well w/ 1976 psi on casing. Perfs broke down @ 2394 psi back to 2356 w/ 3 bbls @ 3 bpm. Pump 30 gals of Techni Hib chemical @ 4% by volume. Frac w/ 15,013#'s of 20/40 sand in 265 bbls of Lightning 17 frac fluid. Treated @ ave pressure of 3110 w/ ave rate of 22 bpm w/ 6 ppg of sand. ISIP was 2595 w/ .98FG. 5 min was 2244. 10 min was 2176. 15 min was 2139. 2086 bbls EWTR. RD BJ. Flow well back. Well flowed for 2 hours & turned to oilo. RIH w/ Weatherford solid composite plug & set @ 4700'. RD WLT. SIFN w/ 1786 bbls EWTR. -

Stage #4: RU WLT. RIH w/ frac plug & perf guns. Set plug @ 5170'. Perferate PB8 sds w/ 3 spf for total of 12 shots. RU BJ & open well w/ 739 psi on casing. Perfs broke down @ 2033 psi back to 2023 w/ 3 bbls @ 3 bpm. Pump 30 gals of Techni Hib chemical @ 4% by volume. Frac w/ 9794#'s of 20/40 sand in 238 bbls of Lightning 17 frac fluid. Treated @ ave pressure of 3353 w/ ave rate of 20 bpm w/ 6 ppg of sand. Spot 12 bbls of 15% HCL acid in flush for next stage. ISIP was 2686 w/ .96FG. 5 min was 2459. 10 min was 2338. 15 min was 2271. Leave pressure on well. 1821 bbls EWTR.

Daily Cost: \$0

Cumulative Cost: \$139,150

11/11/2010 Day: 4

Completion

WWS #3 on 11/11/2010 - MIRUSU. Instal BOP's. TIH w/ tbg. - MIRUSU. RD Cameron BOP's & frac valve. RU 3M production tbg head & Schefer BOP's. RU new 4-3/4" Chomp mill & x-over sub. Tally, drift & pickup new J-55, 2-7/8", 6.5#, 8EUE# tbg & TIH. 50 jts in SIFN.

Daily Cost: \$0

Cumulative Cost: \$183,933

11/12/2010 Day: 5

Completion

WWS #3 on 11/12/2010 - Drlg plugs. C/O to PBTD. - Continue PU tbg & TIH. Tag fill @ 4610'. RU swivel, pump & tanks. C/O to plug @ 4710'. Drlg out plug. Well flowing. TIH w/ tbg to tag plug @ 4844'. Drlg out plug #1. Continue TIH w/ tbg drlg out plugs. Tag fill @ 6866'. C/O to PBTD @ 6972'. SIFN w/ 1576 bbls EWTR.

Daily Cost: \$0

Cumulative Cost: \$184,533

11/15/2010 Day: 6

Completion

WWS #3 on 11/15/2010 - Flow well for clean out. Pump brine. Round trip tbg. Set TA. - Open well w/ 750 psi on casing. Flow 195 bbls fluid. Last was no sand w/ trace of oil. Pump 30 bbls brine. TIH w/ tbg to tag no new sand. Circulate 200 bbls brine. TOOH w/ tbg. LD mill & x-ove3r sub. TIH w/ NC, 2 jts tbg, SN, 2 jt tbg, 214 jts tbg. RD BOP's. Set TA @ 6733' w/ 18,000#'s tension w/ SN @ 6799' & EOT @ 6863'. SIFN w/ 1376 bbls EWTR.

Daily Cost: \$0

Cumulative Cost: \$194,195

11/16/2010 Day: 7

Completion

WWS #3 on 11/16/2010 - PU rods. Put well on pump. Final Report. - Open well w/ 350 psi on casing. Pump 60 bbls brine. Pickup & prime pump. TIH w/ 2-1/2"x 1-1/2" x 17' x 20' new Cntrl Hydrlc RHAC pump w/ 179"SL, 6- 1-1/2" weight rods, 125-3/4" guided rods, 40-3/4" guided (8per) rods, 98-7/8" guided (4per) rods, 2',4',6',8' x 7/8" pony rod, 1-1/2" x 26' polish rod. Space pump. Test tbg & pump to 800 psi. RDMOSU. POP @ 12:30PM w/ 120"SL @ 4 spm w/ 1325 bbls EWTR. Final Report. **Finalized**

Daily Cost: \$0

Cumulative Cost: \$238,342

Pertinent Files: Go to File List

Form 3160-4 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED OMB NO. 1004-0137 Expires: July 31, 2010

| | • | WELL (| COMPI | LETIC | ON OR | RECOMPL | .ETI | ION RE | PORT | AND I | LOG | i | | | | erial No. 52-6268 | | |
|---------------------------|----------------------------|-----------------|----------------|-----------------|--------------------|----------------|-------------|--|----------------------------|-----------|-------------|---------------------|--------------------------------------|-----------------------|-------------------|-----------------------------------|---------------|-------------------|
| la. Type o | | | il Well | | Gas Well | Dry | | Other | | | | | | | | n, Allottee or | Tribe | Name |
| o. Type o | | | | | | | | | | | | 7. (| 7. Unit or CA Agreement Name and No. | | | | | |
| 2. Name o | f Operator | ORATIO | N COMI | PANY | | | | · | | | | | | | | ame and Wel | | |
| 3. Address | 3 | I ST. SUITE | | | | · | |]3 | a. Phone | No. (incl | ude ar | rea cod | e) | 9. / | FI We | | 4-2 | |
| 4. Location | | | | | | dance with Fed | leral i | | (435)646 ents)* | -3/21 | | | | | 013-3 Field a | 4034 and Pool or Ex | xplora | tory |
| | | | | | | | | • | , | | | | | MY | TON- | TRIBAL ED | Á | |
| At Suria | ~ 656 F | SL & 729 |) FEL (| SE/SE | :) SEC. 2 | 1, T4S, R2W | , | | | | | | | 111. | Sec., T Survey | ., R., M., on I or Area SEC | | and 4S, R2W |
| At top pr | od. interval | reported | below | | | | | | | | | | | 12. | County | or Parish | | 13. State |
| At total o | | 5' | | | | | | | | | | | | DU | CHES | NE | | UT |
| 14. Date S 10/09/20 | | | | Date T 26/20 | '.D. Reache 110 | ed | | 16.] | Date Com D & A | | | 2010 to Prod | | 17. 536 | Elevati | ons (DF, RK 5377' KB | B, RT | ', GL)* |
| 18. Total I | | D 7025 VD | ' | | 19. Pl | ug Back T.D.: | MI TV | D 6904' | | | | | ridge Plu | Set: | MD TVD | 3311 NB | | |
| 21. Type I | Electric & O | ther Mecha | nical Log | gs Run | (Submit co | py of each) | - | | | | 22. V | Was wel | l cored? | ZN | | Yes (Submi | it analy | vsis) |
| | | | | | | EUTRON,GF | R,CA | LIPER, | CMT BO | ND | | Was DS Direction | T run? nal Survey | 2 | |] Yes (Submi] Yes (Submi | | |
| 23. Casing | | | | | | | | Stage | amentar | No | | | | | - | | | |
| Hole Size | | | Vt. (#/ft.) | | op (MD) | Bottom (M | (D) | Stage Cementer No. of Sks. & Slurry V Depth Type of Cement (BBL) | | | | | | Cer | nent Top* | | Amount Pulled | |
| 12-1/4" 7-7/8" | 8-5/8" . 5-1/2" . | | 4# 5.5# | 0 | | 7017' | | | | 170 CI | | | | | | | | |
| 1-170 | 3-1/2 | 7-55 | J.J# | - | | 7017 | | | | 300 PF | | | | | 00, | | | |
| | | | | - | | | | | | 720 00 | 7501 | 02 | | | | | | |
| | | | | | | | | | | 12 | | | | | | | | |
| 24 T.L: | <u> </u> | | | | | | | | | | | | | | | | | |
| 24. Tubing Size | | Set (MD) | Pack | er Deptl | h (MD) | Size | | Depth Se | et (MD) | Packer I | Depth (| MD) | Siz | e I | Den | th Set (MD) | T . | Packer Depth (MD) |
| 2-7/8" | | @ 6864' | TA@ | 6734' | | | | | `` | | | | | | | <u> </u> | T | denot Beput (MB) |
| 25. Produc | ing Interval Formation | | | Ťc | on | Bottom | | | rforation F forated Int | | | | lize | No. I | [oleo | г | Dowl | Chah |
| A) Wasato | | - | 6 | 789' | <u> </u> | 6796' | | 6789-67 | | Civai | | .36" | izc | 21 | ioies | | Peri | . Status |
| B) Green | River | | 4 | 742' | | 6393' | | 4742-63 | 393' | | | .36" | | 81 | | | | |
| C) D) | | | | | | | _ | | | | | | | | | | | |
| 27. Acid, F | racture Tre | atment C | ement Sa | 110070 | ete | | | | · | | | | | | | | | |
| | Depth Inter | | ciliem Sq | uccze, | CIC. | | | | A | mount a | nd Ty | pe of M | aterial | | | | | |
| 6789-6796 | | | | | | s 20/40 sand | | | | | | | | | | | | |
| 4742-6393 | 3' | | Fr | ac w/ 9 | 99,562#'s | s 20/40 sand | in 5 | 56 bbls o | of Lightni | ng 17 fl | uid in | 4 sta | ges | | | | | |
| <u>-</u> | | | | | | | | | | | | | | | | | | |
| 28. Product | | al A | | | | | | | | | | | | | | - | | |
| Date First Produced | Test Date | Hours Tested | Test Produc | | Oil BBL | Gas MCF | Wat BBI | | Oil Grav Corr. AP | | Gas Gra | vity | | iction Me 2" x 1-1 | | 17' x 20' RH | AC F | rump |
| 11/15/10 | 11/28/10 | | | <u> </u> | 25 | 11 | 80 | | | | | | | | | | | |
| Size | Tbg. Press. Flwg. | Csg. Press. | 24 Hr. Rate | | Oil BBL | Gas MCF | Wate BBL | | Gas/Oil Ratio | | | Il Status | | | | | | |
| | SI | | | | | | | | | | | | | | | | | |
| 28a. Produc Date First | tion - Interv Test Date | /al B Hours | Test | - | 2:1 | Con | h17-4 | | lou o | | | | - L | | | | | |
| Produced | resi Date | Tested | Produc | | Oil 3BL | Gas MCF | Wate BBL | | Oil Gravi Corr. AP | | Gas Grav | | Produ | ction Me | thod | | | |
| | Tbg. Press. | | 24 Hr. | | Dil DDI | Gas | Wate | | Gas/Oil | | Wei | 1 Status | . <u> </u> | | | | | |
| | Flwg. SI | Press. | Rate | > | BBL | MCF | BBL | • | Ratio | | | | | | | RI | ΞC | EIVED |

| 28b. Prod | luction - Int | erval C | | | | | | | | |
|----------------------------------|-----------------------------|------------------------|----------------------------------|-------------------------------|------------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------------|--------------------------|
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method | |
| Choke Size | Tbg. Press Flwg. SI | .Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | .1 | |
| | uction - Inte | | | | | | | | | |
| Date First Produced | Test Date | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method | |
| Choke Size | Tbg. Press. Flwg. SI | Csg. Press. | 24 Hr. Rate | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio | Well Status | | |
| 29. Dispos | sition of Gas | s (Solid, us | ed for fuel, ver | nted, etc.) | 1 | <u> </u> | | | | |
| USED FOR | FUEL | | | | | | | | | |
| 30. Summ | ary of Poro | us Zones (| Include Aquit | fers): | | | | 31. Formatic | on (Log) Markers | |
| Show a including recover | ng depth int | zones of p | orosity and co | ontents there d, time tool | eof: Cored inte open, flowing | ervals and all of and shut-in pr | drill-stem tests, ressures and | | CAL MARKERS | |
| Form | nation | Ton | Portom | | Descrit | | | i i | | Тор |
| · | iation | Top | Bottom | | Descrip | tions, Content | is, etc. | | Name | Meas. Depth |
| WASATCH GREEN RIV | ÆR | 6789' 4742' | 6796' 6393' | | | | | GARDEN GUL GARDEN GUL | | 4267° 4490° |
| | | | | | | | | GARDEN GUL POINT 3 | CH 2 | 4620° 4919° |
| | | | | | | | | X MRKR Y MRKR | | 5161' 5195' |
| | | | | | | ! | | DOUGALS CR BI CARBONAT | | 5316' 5589' |
| | | | į | | | | | B LIMESTON N CASTLE PEAK | (| 5742' 6226' |
| | | | | | | | | BASAL CARBO WASATCH | NATE | 6615' 6747' |
| 32. Additio | onal remarks | s (include p | olugging proce | edure): | | | | | | |
| | | | | | | | | | | |
| 33. Indicate | which item | s have hee | n attached by | placino a cl | neck in the app | ronriate have | | | | |
| | | | | | | | | | | |
| | | | full set req'd.) | | | logic Report e Analysis | ☐ DST Rep ☑ Other: □ | ort [rilling Daily Ac | ☐ Directional Survey | |
| | | | | | tion is complet | e and correct a | as determined from | all available reco | ords (see attached instructions)* | |
| Nar | ne (please p | | / Chavez-Na | | | _ 1 | Citle Administrat | | | |
| | nature | Av a | | 74 | | | Date 12/07/2010 | | | |
| litle 18 U.S. lalse, fictitio | .C. Section us or fraudi | 1001 and Tulent statem | itle 43 U.S.C. ents or repres | Section 12 entations as | 12, make it a c s to any matter | rime for any p within its juris | erson knowingly as | nd willfully to ma | ake to any department or agency | of the United States any |

(Continued on page 3)

Daily Activity Report

Format For Sundry UTE TRIBAL 16-21-4-2 8/1/2010 To 12/30/2010

UTE TRIBAL 16-21-4-2

Waiting on Cement

Date: 10/12/2010

Ross #29 at 340. Days Since Spud - On 10/9/10 Ross Rig #29 spud UT 16-21-4-2, drilled 340' of 12 1/4" hole, and ran 8 jts 8 5/8" - 8 5/8" casing w/ 170 sks Class "G" + 2% CaCl2 + 0.25#/sk Cello Flake at 15.8 ppg w/ 1.17 yield. - casing (guide shoe, shoe jt, baffle plate, 7 jts) set @ 342.77' KB. On 10/12/10 BJ Services cemented - Returned 4 bbls to pit.

Daily Cost: \$0

Cumulative Cost: \$47,739

UTE TRIBAL 16-21-4-2

Rigging down

Date: 10/21/2010

NDSI #3 at 340. 0 Days Since Spud - RD to move to Ute Tribal 16-21-4-2

Daily Cost: \$0

Cumulative Cost: \$52,064

UTE TRIBAL 16-21-4-2

Drill 7 7/8" hole with fresh water

Date: 10/22/2010

NDSI #3 at 1550. 1 Days Since Spud - psi for 30 min /All ok - RU Quick test/Test kelly,safety valve,pipe & blind rams& choke to 2000 psi for 10 min./Csg to 1500 - On 10/21/10 Jones Trucking moved rig # 3 from Ute Tribal 14-13-4-3 to Ute Tribal 16-21-4-2W/Set Equi - Complete RU - Drill 7 7/8" hole from 304' to 616'/WOB 21/RPM 60/GPM 420/ROP 125 FPH - Install rotating head rubber & drive bushing - Drill 7 7/8" hole from 616' to 1550'/WOB 21/RPM 60/GPM 420/ROP 156 FPH - No slides - PU & RIH with BHA & Hathaway Dir. Tools/Tag cmt. @ 304'

Daily Cost: \$0

Cumulative Cost: \$93,021

UTE TRIBAL 16-21-4-2

Drill 7 7/8" hole with fresh water

Date: 10/23/2010

NDSI #3 at 3830. 2 Days Since Spud - Drill 7 7/8" hole from 2758' to 3830'/WOB 21/RPM 60/GPM 420/ROP 82 FPH - Rig service - Drill 7 7/8" hole from 1550' to 2758'/WOB 21/RPM 60/GPM 420/ROP 156 FPH - Slides 12'@2821,8'@2853',10'@3262'-3294'-3326' Total of 5

Daily Cost: \$0

Cumulative Cost: \$109,921

UTE TRIBAL 16-21-4-2

Drill 7 7/8" hole with fresh water

Date: 10/24/2010

NDSI #3 at 5122. 3 Days Since Spud - Rig service - Drill 7 7/8" hole from 3830' to 3988'/WOB 21/RPM 60/GPM 420/ROP 25 FPH - Make bit trip. - Slides 10'@ 4019'- 4051',13'@4650'-5059' for a total of four. - Drill 7 7/8" hole from 3988' to 5122'/WOB 21/RPM

60/GPM 420/ROP 113 FPH

Daily Cost: \$0

Cumulative Cost: \$135,671

UTE TRIBAL 16-21-4-2

Drill 7 7/8" hole with fresh water

Date: 10/25/2010

NDSI #3 at 6950. 4 Days Since Spud - Rig service - Drill 7 7/8" hole from 5753' to 6950'/WOB 21/RPM 60/GPM 420/ROP 113 FPH - Drill 7 7/8" hole from 5122' to 5343'/WOB 21/RPM 60/GPM 420/ROP 113 FPH - Change temp guage on floor motor - Drill 7 7/8" hole from 5343' to 5753'/WOB 21/RPM 60/GPM 420/ROP 113 FPH

Daily Cost: \$0

Cumulative Cost: \$193,341

UTE TRIBAL 16-21-4-2

Wait on Completion

Date: 10/26/2010

NDSI #3 at 7025. 5 Days Since Spud - Change and test rams(put new rubber on rams) 2000psi for 10 min. - Log w/PSI Triple combo - LDDP and BHA - Circulate and pump brine to kill 20gpm flow. - Drill 7 7/8" hole from 6950' to 7025'/WOB 21/RPM 60/GPM 420/ROP 113 FPH - Rig up and run casing 166jts of 5.5 casing 15.5# set @ 7016.81'KB - Cement w/BJ 300sks lead; PLII+3%KCL+5#CSE+.5#CF+2#KOL+.5SMS+FP-6L - 425sks Tail;50:50:2+3% KCL+.5%EC-1+.25#CF+.5#SF+.3SMS+FP-6L - Set slips w/110,000# Tension - Clean mud tanks - Circulate w/rig pump

Daily Cost: \$0

Cumulative Cost: \$340,516

UTE TRIBAL 16-21-4-2

Wait on Completion

Date: 10/27/2010

NDSI #3 at 7025. 6 Days Since Spud - Release rig @ 8:30 am - Clean mud tanks Finalized

Daily Cost: \$0

Cumulative Cost: \$341,816

Pertinent Files: Go to File List

Jentri Park

01/04/11

Production Clerk

STATE OF UTAH DIVISION OF OIL, GAS AND MINING ENTITY ACTION FORM -FORM 6

OPERATOR: NEWFIELD PRODUCTION COMPANY ADDRESS: RT. 3 BOX 3630

MYTON, UT 84052

OPERATOR ACCT. NO. N2695

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | | | | LOCATION | 1 | SPUD DATE | FEFECTIVE |
|----------------|--|-------------------|--------------|-----------------------|----------|---------|---------------|----------|----------|--------------|-------------------|
| | | | | | 00 | SC | 113 | RG | COUNTY | DATE | EFFECTIVE DATE |
| E | 99999 | 17817 | 4301334034 | UTE TRIBAL 16-21-4-2 | SESE | 21 | 48 | 2W | DUCHESNE | 10/9/2010 | 11/16/2010 |
| VELL 1 C | OMMENTS: | Cl | HANGE FORMAT | ION F/ GRRV TO GRWS | | | | | | CONFIDE | 1/26 |
| CTION | CURRENT | NEW | API NUMBER | WELL NAME | 7 | WE | ELL LOCA | TION | | SPUD | EFFECTIVE |
| CODE | ENTITY NO. | ENTITY NO. | | | GG | sc | TP | RG | COUNTY | DATE | DATE |
| E | 99999 | 17813 | 4304751124 | UTE TRIBAL 11-11-4-1E | NESW | 11 | 48 | 1E | UINTAH | 10/11/2010 | 11/19/2010 |
| | | CH | HÄNGE FÖRMAT | ION F/ GRRV TO GRWS | | ·• | | | | | -1/26/2011 |
| CODE | CURRENT ENTITY NO. | NEW ENTITY NO, | API NUMBER | WELL NAME | 1 | | WEII | LOCATION | | CDI ID | 1 |
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| i | | | | | | | | | | | |
| TION C | DDES (See instructions on tra | ck of form) | | | | | | ., | | / / | |

A- 1 new entity for now well (single well only)

B - rwell to existing entity (group or unit well)

C - Yom one existing entity to another existing entity

NOTE: Use COMMENT section to explain why each Action Code was selected,

D - well from one existing entity to a new entity

E - ther (explain in comments section)

RECEIVED

JAN 1 8 2011

DIV. OF OIL, GAS & MINING